



Prospectus for Borgo AB (publ):s SEK 350,000,000 Floating Rate Additional Tier 1 Capital Notes

Issuing Agent:

Skandinaviska Enskilda Banken AB (publ)

This Prospectus has been approved by the Swedish Financial Supervisory Authority on 28 January 2026. This Prospectus is valid for twelve (12) months after the date of approval, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. 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the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Important Information

In this prospectus (the “**Prospectus**”), the “**Issuer**” means Borgo AB (publ), Reg. No. 559153-2303 and LEI code 54930030QWENGUD8ZR59. The “**Group**” means the Issuer and its subsidiaries from time to time (each a “**Group Company**”). Words and expressions defined in the terms and conditions for the Notes (the “**Terms and Conditions**”) shall have the same meaning when used in this Prospectus, unless expressly stated otherwise or follows from the context. This Prospectus has been prepared by the Issuer in relation to the issue of floating rate additional Tier 1 Capital notes (the “**Notes**”) in the Total Nominal Amount of SEK 350,000,000. This Prospectus has been prepared for the admission to trading 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 has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the “**Regulation**”), supplemented by Commission Delegated Regulation (EU) 2019/979 and Commission Delegated Regulation (EU) 2019/980 (jointly, the “**Prospectus Regulations**”). This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as the competent authority under the Regulation. Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete. Solely for the purposes of the product governance requirements set forth in directive 2014/65/EU as amended (“**MIFID II**”), the target market assessment made by the Sole Bookrunner and the Issuer for the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MIFID II; (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) 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 Sole Bookrunner's and the Issuer's target market assessment. However, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Sole Bookrunner's Issuer's 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 the Prospectus Regulation (as amended). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIPs 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. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Issuer has not undertaken to register the Notes under the 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 investor's obligation to ensure that the offers and sales of Notes comply with all applicable securities laws.

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.

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 actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in section “**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 or persons acting on the Issuer's behalf is subject to the reservations in or referred to in this section.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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1 Risk Factors

In this section, the risk factors which the Issuer considers to be material risks relating to the Issuer and the Notes are illustrated. 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 factor in a category is 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.

1.1 Risks relating to macroeconomic factors and financial and securities markets

1.1.1 ***Macroeconomic conditions and development in Sweden and globally can adversely affect the banking business, results of operations and liquidity of the Issuer***

Adverse changes in the Swedish and global macroeconomic circumstances and development could have an adverse effect on the Issuer's business, results of operations and liquidity. Relevant macroeconomic factors to the Issuer are housing market development in Sweden, unemployment ratios, development of interest rates and development of households' disposable income.

Geopolitical uncertainty, high unemployment rate and interest rate cycle reaching its turning point may have negatively impacted the housing and residential property values both in and outside the domestic growth centres in Sweden. The majority of the housing and residential property collateral of the mortgage loans granted by the Issuer are located in major cities and growth centres where housing and residential property values have increased in the past year. Adverse macro-economic developments may affect the values of residential properties negatively which in turn would reduce the value of the Issuers assets.

Macroeconomic adverse changes could affect debtors' economic situation and, consequently, their ability to fulfil their credit obligations towards the Issuer. It could also have an adverse effect on the development of the residential markets, which form the security for the Issuer's credits.

1.1.2 ***Circumstances in the financial and capital markets***

A negative development in the financial and securities market could have an adverse effect on the availability of funding from the debt capital markets which could lead to liquidity constraints for the Issuer. This could have an adverse effect on the business and profitability of the Issuer.

Changes in the global financial market and developments in the fixed income and stock markets create uncertainty. This could have a negative impact on the economic conditions and as a consequence on the Issuer's creditors' ability to fulfil their credit obligations towards the Issuer.

1.2 Risks relating to the Issuer's business activities and industry

1.2.1 *The Issuer faces competition in mortgage loan market*

There is competition for the types of services that the Issuer will provide and there can be no assurances that the Issuer can obtain and maintain a competitive position.

The mortgage market in Sweden is in general dominated by a small group of high-street banks and is characterised by high competition. The Issuer faces the risk that competitors, for example high-street banks, which offer a broad range of products and services through widespread retail office networks and online, may outcompete the Issuer's offers, services and products. It is possible that the Issuer's competitors benefit from certain competitive advantages such as lower cost of funds, a more efficient organisation or a larger existing customer base. Additionally, there is a risk that new actors will enter the market with new or improved technical solutions and or business offers. If new actors successfully enters the market or already established high-street banks or other established competitors can continue to benefit from certain competitive advantages which the Issuer lacks, there is a risk that the Issuer will fail to obtain and maintain a profitable market share and that the demand for the Issuer's services and products decreases, or that the Issuer is required to reduce the interest rates that it charges on its loan products in order to maintain demand, which would have a material adverse effect on the Issuer's net interest margin and financial position.

1.2.2 *The Issuer is dependent on its Distributors, owners and service suppliers*

The Issuer's mortgage loans are distributed by its Distributors (as defined below under section 3.2 "Strategy"). Each Distributor markets and receives applications for mortgage loans through its own preferred route (e.g. online, via telephone or physical meetings) and using its own application interface. The Issuer sets the production price for mortgages, however each Distributor sets its own pricelist to customers based on their margin requirements, and also applies relevant discounts and following origination, handles first line customer support. The Issuer is thus, to a large extent, dependent on the Distributors' ability to attract and service customers. In addition, the Issuer is through an outsourcing agreement dependent on Ålandsbanken's and its subsidiary Crosskey Banking Solutions Ab Ltd's treasury, accounting, payment and IT-services to maintain day-to-day operations. The outsourcing agreement also provides that Ålandsbanken shall ensure that the Issuer's cover pool is administrated in accordance with the provisions of the Covered Bond Act and the SFSA Regulations.

There is a risk that a failure by any of the Issuer's Distributors or service suppliers to attract customers and/or supply the Issuer with required services could have a material adverse effect on the Issuer's business operations and financial position.

1.2.3 IT and operational risk

The Issuer's operations will rely on the secure processing, storage and transmission of customer information and other confidential information in its IT systems and networks. The Issuer's IT systems, software and networks could be vulnerable to breaches, unauthorised access, misuse, computer viruses or other malicious code that could result in disruption to its business or the loss or theft of confidential information, including customer information subject to bank secrecy laws. There is risk that any failure, interruption or breach in the Issuer's IT security, including any failure of its back-up systems or failure to maintain adequate security surrounding customer information, results in reputational harm, disruption in the management of the Issuer's customer relationships, the inability to originate, process and service loans or depositors not being able to access their funds.

In relation to deposits in particular, the risk of IT related problems or failures constitute one of the most severe risks, which may result in the Issuer being unable to service its depositors for a short or long period of time. If any IT security or IT operational risks would materialise, it could result in a loss of customer business, loss of income, damaged reputation and possibly a large number of customers making withdrawals of deposits rapidly, thereby adversely affecting the Issuer's funding and liquidity situation. The Issuer could further be subject to additional regulatory scrutiny or be exposed to lawsuits by customers for identity theft or other loss resulting from the misuse of their personal information and possible financial liability. Regulators may also impose penalties or require remedial action if they identify weaknesses in the Issuer's security systems and the Issuer could be required to incur significant costs to increase its IT security to address any vulnerabilities that may be discovered or to remediate the harm caused by any security breaches. The degree to which IT failures could, now and in the future, affect the Issuer is uncertain and presents a significant risk to the Issuer's operations and financial situation.

As part of its business the Issuer may share confidential customer information and proprietary information on an aggregated basis with outsourcing parties. The information systems of these third parties may be vulnerable to security breaches, and there is a risk that the Issuer's methods and procedures for overseeing how outsourcing partners and other third parties operate their businesses may be inadequate or that the Issuer may not be able to ensure that these third parties have appropriate security controls in place to protect the information that the Issuer shares with them. Furthermore, such third parties may misuse data provided by the Issuer. If the Issuer's proprietary or confidential customer information is intercepted, stolen, misused or mishandled while in the possession of a third party, there is a risk that it will result in reputational harm to the Issuer, loss of customer business, loss of income, and possibly a large number of customers making withdrawals of deposits rapidly, thereby adversely affecting the Issuer's funding situation, and additional regulatory scrutiny, and that it will expose the Issuer to civil litigation and possible financial liability, adversely affecting the Issuer's operations and financial situation.

1.2.4 Credit risk relating to non-payment

Credit risk is the risk that the Issuer will incur losses due to its borrowers' inability to meet their obligations to the Issuer as they fall due. Adverse changes in the creditworthiness of

the Issuer's borrowers or any reduction in the value of collateral or other security obtained by the Issuer may have an adverse impact on the Issuer's financial results. Credit risks may also adversely impact the Issuer's creditworthiness.

The Issuer's credit risk mainly pertains to the borrowers' ability to perform their financial obligations under their respective mortgage loan, that is the borrowers' ability to pay principal of, and interest on, such mortgage loan. The Issuer's ability to receive principal and interests depends primarily on the financial status of the relevant borrower, which in turn, could be affected by general macroeconomic conditions and developments. Any national or global economic downturn, geopolitical conflicts, high inflation levels and high interest rates, could result in increases in unemployment rates (see for example section 1.1.1 (*Macroeconomic conditions and development in Sweden and globally can adversely affect the banking business, results of operations and liquidity of the Issuer*)). This could impair borrowers' ability to make timely payments which would have an adverse effect on the Issuer's liquidity and financial results.

1.2.5 Credit risk relating to the value of collateral

The mortgage loans granted by the Issuer and its Distributors are secured by a first ranking pledge over mortgage certificates (Sw. *pantbrev*) or rights to cooperative flats (Sw. *bostadsrätt*). The value of the collateral is linked to the performance of the Swedish real estate and housing market. There are various factors which may have a negative effect on the prices on the housing market, for example changes in regulations affecting the market directly or indirectly, geopolitical factors, a quick rise in interest rates or unemployment levels or changing economic conditions. Legal requirements, such as stricter amortisation requirements as well as stricter caps on loan-to-value levels and loan-to-income ratios, may have a negative effect on prices on the Swedish housing market, as the borrowers will be able to take up less mortgage loans. The foregoing particularly applies to urban areas where market values are higher. In addition, potential constraints of monetary policies can also be expected to hold back house price development. Any such changed regulation or upcoming constraints of monetary policies that hold back pricing development in the housing market or lead to a general downturn in the value of properties in Sweden would adversely affect the value of the collateral and thus diminish the Issuer's security for future claims against a borrower in case of non-payment of such borrower. In addition, the value of the collateral may also be impaired by a borrower's neglect and/or mismanagement of the relevant property, which ultimately may affect the value of the property. If the housing prices on the Swedish housing market, and thus also the value of the Issuer's collateral for mortgage loans, significantly decreases for any reason and a significant number of borrowers are unable to pay principal and/or interest in whole or in part, there is a risk that the collateral does not cover the borrowers' financial obligations under the mortgage loans. Accordingly, there is a risk that the Issuer fails to recover monies equal to the payments to which it is entitled under the relevant mortgage loan, which may adversely affect the value of the Issuer's portfolio of mortgage loans and subsequently result in the Issuer being unable to fulfil its financial obligations and undertakings.

1.2.6 Reputational risk

The Issuer's ability to build and maintain a good reputation will be an important factor to establish itself as an alternative to high-street banks on the Swedish mortgage loan market. Reputational risk, including the risk to earnings and capital from negative public opinion, is inherent in the financial services business. Negative public opinion can result from any number of causes, including misconduct by employees, the activities of business partners over which the Issuer has limited or no control, such as its Distributors, severe or prolonged financial losses, or uncertainty about the Issuer's financial soundness or reliability. Negative public opinion may adversely affect the Issuer's ability to keep and attract customers, depositors and investors, as well as its relationships with regulators and the general public. The Issuer cannot ensure that it will be successful in avoiding damage to its business from reputational risk. Negative public opinion with respect to the Issuer's operations, offers and even its investors and business partners operations, such as its Distributors of mortgage loans, could have an adverse effect on the Issuer's business.

1.2.7 Risk of losing key persons

Financial markets are highly dependent on competent people and there is high demand for such people. Risks relating to losing key personnel or not being able to employ new competent people is identified within the Issuer. The Issuer is a small company currently consisting of around forty (40) employees with the aim to compete with established high-street banks on the Swedish mortgage loan market. This requires competent, skilful and dedicated people. The Issuer is thus dependent on the members of its management team together with certain key roles within Finance, Credit and Compliance in order to sustain, develop and grow its business. Losing certain people with specific skills could have an adverse effect on the Issuer's operations.

1.3 Risks relating to the Issuer's financing

1.3.1 Market risk

Market risk is the risk of losses due to changes in interest rates, foreign exchange rates and equity prices. As the Issuer originates and administers mortgage loans, the Issuer's market risk is mainly represented in terms of interest rate risk due to interest rates payable by the Issuer on its funding, and the interest rates that the Issuer charges on mortgage loans to its customers. This difference is known as the interest margin. Changes in interest rate levels, yield curves and spreads could affect the interest margin. There is a risk that the Issuer's use of hedging instruments for the mismatch in the different terms in funding and investing interest rates does not perfectly offset the impact of interest rate changes. There is also a risk that the Issuer will not be able to re-price its variable rate assets and liabilities at the same time, resulting in a reduction of the interest margin in the short and/or medium term.

Changes in the competitive environment could also affect spreads on the Issuer's lending and deposits. If the Issuer's funding costs were to significantly increase due to material increases in market interest rates or other reasons and the Issuer were unable to sufficiently increase the interest rates on its loan products in a timely manner, or at all, the

Issuer's interest margin will be adversely affected, causing an adverse effect on the Issuer's net earnings.

Interest rates are also sensitive to several factors that are outside of the Issuer's control, including fiscal and monetary policies of governments and central banks, as well as domestic and international political conditions. A higher interest rate environment could reduce demand for mortgage loans, as individuals may be less likely or less able to borrow when interest rates are higher. Higher interest rates would also lead to higher interest costs for existing borrowers, which could affect their ability to repay their borrowings and lead to an increased rate of defaults. This could in turn have an adverse effect on the Issuer's net earnings.

1.3.2 *Liquidity risk and funding risk*

The Issuer is subject to liquidity risk. Liquidity risk is the risk that the Issuer will not be able to meet its payment obligations at maturity without significant cost increases or at all. The Issuer's funding policy is to maintain a diverse funding base for its lending operations through a combination of, amongst others, retail deposits and long-term debt. As of 30 September 2025, the Issuer's interest-bearing liabilities amounted to approximately SEK 32 billion.

Funding risks can be exacerbated by enterprise-specific factors, such as over-reliance on a particular source of funding, or by market-wide phenomena, such as market dislocation or a major disaster. The Issuer's ability to access funding sources on satisfactory economic terms is subject to a variety of factors, a number of them which are outside of the Issuer's control. If access to funding were to be constrained for a prolonged period of time, competition for retail deposits and the cost of accessing the capital markets could similarly increase. There is a risk that this will increase the Issuer's cost of funding or result in the Issuer not getting access to sufficient funding and, therefore, poses a highly significant risk to the Issuer's net interest margin and financial position.

The Issuer's ability to issue notes such as the Notes, depends on a variety of factors, including the credit quality of the Issuer and its assets, market conditions, the general availability of credit and rating agencies' assessment of the Issuer. There is a risk that these and other factors will limit the Issuer's ability to issue notes, which, in turn, could adversely affect the Issuer's ability to maintain or grow its loan portfolio as well as its net interest margin.

Since the Issuer's shares are not listed, it does not have direct access to the equity capital markets and as a consequence, the Issuer is dependent upon its owners as source of equity capital. The Issuer has raised capital from current owners and financial investors to hold sufficient own funds in accordance with the Issuer's internal capital adequacy assessment (the "ICAAP"). The amount of the Issuer's equity as of 30 September 2025 amounted to SEK 2,561 million. If the owners do not provide the Issuer with sufficient equity capital and/or the debt capital markets are not available to the Issuer, this is likely to affect the funding of the Issuer and there is a risk that the Issuer's financial position and ability to operate its business is adversely affected and in turn that the Issuer is not able to meet its capital requirements.

1.3.3 *Adverse change in the credit rating of the Issuer may significantly reduce the Issuer's access to the debt markets and result in increased interest rates on future debt*

The Issuer has been assigned a long-term deposit and issuer rating of Baa2 (stable outlook) by Moody's. Any material deterioration in the credit rating of the Issuer may significantly reduce the Issuer's access to the debt markets and result in increased interest rates on future debt. A downgrade in the Issuer's existing credit rating may result from factors specific to the Issuer or from other factors such as general economic weakness or sovereign credit rating ceilings. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.4 *Regulatory risks*

1.4.1 *Regulatory changes may adversely affect the Issuer and the Issuer operates in a legal and regulatory environment that exposes it to potentially significant litigation and regulatory risks*

The Issuer is subject to financial services laws, regulations, administrative actions and policies in Sweden and in the EU. The Issuer must meet the requirements set forth in the regulations regarding, *inter alia*, minimum capital and capital adequacy, reporting with respect to financial information and financial condition, marketing and selling practices, advertising, terms and conduct of business and permitted investments, liabilities and payment of dividends. In addition, certain decisions made by the Issuer may require approval or notification to the relevant authorities in advance.

Changes in supervision and regulation could materially affect the business, the products and services offered or the value of assets of the Issuer. Such changes in regulation and supervision may, for example, expose the Issuer to additional costs and liabilities and require it to change how it conducts business.

1.4.2 *Increased capital requirements may adversely affect the Issuer*

The Issuer must comply with numerous capital requirements and standards. Recent and possible future changes to capital adequacy and liquidity requirements, mainly regarding the Capital Requirements Regulation ("**CRR**") and the Capital Requirements Directive ("**CRD**"), imposed on the Issuer may require the Issuer to raise additional Tier 1, common equity Tier 1 and Tier 2 capital by way of issuances of securities and could result in existing Tier 1 and Tier 2 securities, if any, ceasing to count towards the Issuer's regulatory capital, either at the same level as at present or at all.

Any updates to the Pillar 2 capital requirement by the SFSA in respect of the Issuer could affect its capital position negatively. Any failure by the Issuer to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer's business, financial condition and results of operations and may also have other effects on the Issuer's financial performance and on

the value of the Notes, both with or without the intervention by regulators or the imposition of sanctions.

The Issuer's total capital requirement consists of capital requirements for risks within Pillar 1 (the basic capital requirements in CRR) and Pillar 2 (capital requirements for risks not covered by Pillar 1) as well as the combined buffer requirement. Pillar 2 capital adequacy requirements are estimated for credit concentration risk, interest rate risk in the banking book ("IRRBB") and credit spread risk in the banking book ("CSRBB"), totalling 2.8 per cent. of the Issuer's risk exposure amount end of September 2025. Furthermore, the total capital requirement as per end of September 2025 consists of a capital conservation buffer of 2.5 per cent. and a countercyclical buffer of 2 per cent.

As of the date of this Prospectus, the SFSA has not provided the Issuer with any additional Pillar 2 guidance. To consider additional guidance coming years, the Issuer's ICAAP includes a Pillar 2 guidance. The SFSA performs a supervisory review and evaluation process (SREP) and will formally decide on bank-specific Pillar 2 requirement and Pillar 2 guidance. There is a risk that the SFSA, within a short time frame, may impose Pillar 2 capital requirements and guidance as an outcome of their review and evaluation. Since it is not possible to know the outcome of the SFSA's assessment, there is a risk that the actual additional guidance from the SFSA exceeds the Issuer's expectations which in turn means that additional capital is needed. Furthermore, the ICAAP contains assumptions of planned volumes of mortgage loans and deposits, which can change over time and which in turn can imply other required capital levels. The capital requirements will generally change over time as the business plan is realized. While the ICAAP includes a plan for available own funds that will be sufficient to meet the regulatory requirements and the capital risk appetite of the Issuer's board of directors at all times, there is no certainty that the Issuer would be able to meet the requirements when the business plan is realized. A failure to meet the capital requirements could adversely affect the Issuer's ability to operate its business.

1.4.3 *Sweden have implemented a bank recovery and resolution directive which 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 Directive 2014/59/EU (the "BRRD") (including without limitation as amended by the Creditor Hierarchy Directive and by Directive (EU) 2019/879 of 20 May 2019 of the European Parliament and of the Council amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms) sets out the necessary steps and powers for authorities to ensure that bank failures across the EU are managed in a way which mitigates the risk of financial instability and minimises the impact of an institution's failure on the economy and financial system costs for taxpayers. The BRRD and subsequent amendments are implemented in Sweden through the Swedish Act on Resolution (Sw. *lag (2015:1016) om resolution*) (the "Resolution Act").

One of the tools implemented pursuant to the BRRD is bail-in. The Swedish National Debt Office (Sw. *Riksgäldskontoret*) (the "Swedish Resolution Authority"), as applicable, has the power to write down certain claims of unsecured creditors of a failing institution (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims to equity or other instruments of ownership (the general bail-in tool),

which equity and other instruments could also be subject to any future cancellation, transfer or dilution. Relevant claims for the purposes of the general bail-in tool would include the claims of the holders of the Notes. However, the determination that all or a part of the principal amount of the Notes will be subject to the general bail-in tool, is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. The application of the general bail-in tool with respect to the Notes, may result in the cancellation of a portion of the principal amount of, or interest on, the Notes. Accordingly, potential investors in the Notes should consider the risk that the general bail-in tool may be applied in such a manner as to result in Noteholders losing a part of the value of their investment in the Notes. Moreover, the Swedish Resolution Authority may exercise its authority to apply the general bail-in tool without providing any advance notice to the Noteholders. Noteholders may also have limited or no rights to challenge any decision of the Swedish Resolution Authority to exercise the general bail-in tool or to have that decision reviewed by a judicial or administrative process or otherwise.

The exercise of any power under the Resolution Act or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes. The BRRD and the Resolution Act introduced a requirement for credit institutions and investment firms to meet the minimum requirement for own funds and eligible liabilities ("MREL") for the purposes of ensuring sufficient loss absorbing capacity to enable the continuity of critical functions without recourse to public funds. As of the date of this Prospectus, the Swedish Resolution Authority has not imposed an additional MREL requirement in relation to the Issuer.

1.4.4 Risks relating to the enforcement of collateral

All or some of the mortgage loans granted by the Issuer are or will be secured by a first ranking pledge over mortgage certificates (Sw. *pantbrev*) or rights to cooperative flats (Sw. *bostadsrätt*). The Issuer is or will therefore be entitled to enforce such security if any borrower defaults under its respective mortgage loan. Perfecting and enforcing security over mortgage certificates over real estate or cooperative flats is subject to formal requirements and thus risks. For instance, there is no official record in Sweden stating whether a cooperative flat right is pledged. Instead, a pledge is perfected by a notification to the cooperative housing association (Sw. *bostadsrättsförening*). The Issuer is or will be therefore reliant on the records of the cooperative housing association and is exposed to risks of fraud and mistakes in relation to the creation of the security. Furthermore, under certain circumstances obligations owed by the cooperative housing association itself will rank ahead of the pledgee of a cooperative flat, even if proper notification has been made. Following the enforcement of security over a cooperative flat, the cooperative housing association may, depending on the terms of its charter, have a right to refuse the new owner membership in the association and will have a right to require that the new owner settles any amounts owed to the association by the previous owner. The foregoing may entail a decrease in the value of the cooperative flat as it may be harder to dispose. As to the enforcement of security over mortgage certificate(s), such enforcement must be done through a sale of the property by the Swedish Enforcement Authority (Sw. *Kronofogdemyndigheten*). These enforcement processes may be both time-consuming and costly at the same time as the best possible price for the property may not be generated through such regulated process.

When collateral is enforced, a court order is normally required to establish the borrower's obligation to pay and to enable a sale by execution measures. The ability of the Issuer to enforce the collateral without the consent of the borrower is thus dependent on the decisions from a court, the execution measures, the demand for the relevant real property and other relevant circumstances in the Swedish housing market. If the Issuer cannot realise the collateral to obtain a sufficient amount to repay the Notes, for example due to delays in obtaining court decisions and/or delays in execution measures, the holders of the Notes would as a result not recover any or the full value of the Notes, which presents a significant risk to the Noteholders' return on their respective investments.

1.4.5 *Legal risks relating to mortgage loans*

The Issuer's business operations as well as the mortgage loans are subject to legislation and regulations, as well as government policies and general recommendations issued by, *inter alia*, the European Union (EU) and/or relevant Swedish authorities such as the SFS and the Swedish Consumer Agency (Sw. *Konsumentverket*). For example, as the Issuer grants, holds and manages mortgage loans in Sweden, it must comply with the Swedish Consumer Credit Act (Sw. *konsumtcreditlagen (2010:1846)*) for mortgage credits granted since 1 January 2011. In addition, the Issuer is obliged to follow certain laws and regulations which are applicable to its business, such as the Swedish Mortgage Business Act (Sw. *lag (2016:1024) om verksamhet med bostadskrediter*), the Swedish Money Laundering and Terrorist Financing (Prevention) Act (Sw. *lag (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism*) and the Swedish Consumer Credit Act. Such rules and regulation may for example limit or delay the Issuer's ability to exercise its rights under the mortgage loans, as the Issuer may be obliged to grant extensions of mortgage loans upon maturity. In case of material violations, the relevant authority can, as an ultimate measure prohibit the Issuer to continue its operations. The relevant authority may also make remarks and issue warnings, each of which may be accompanied by monetary fines. Failure to comply with applicable rules and regulations could thus impact the Issuer's ability to carry out its business operations as intended, which would adversely impact the Issuer's competitiveness and profitability.

1.4.6 *Risks arising from processing of personal data*

Processing of personal data (such as customer data) is part of the daily business of the Issuer. Such processing is regulated by the European Union's General Data Protection Regulation (EU) No 2016/679 (the "**GDPR**") and national laws providing strict confidentiality obligations and sector-specific data protection rules applicable to financial institutions.

Privacy issues and the protection of personal data, in particular the protection of data relating to the Issuer's customers and employees, are of the essence to the Issuer. However, the Issuer have assessed its data protection processes and practices and issued related internal guidelines, they may not be able to prevent intentional or unintentional misuse of its systems containing personal data. Such personal data breaches may be attributable, for instance, to human error or faults in ICT systems or software and they may result in identity frauds or other types of misuse of personal data if, for instance, customer data is leaked outside the Issuer.

A breach of data protection legislation by the Issuer (or its supplier(s)) could result in administrative sanctions, claims for damages and/or loss of reputation and customers. The GDPR includes an extensive sanction mechanism, according to which breaches of the GDPR can result in administrative fines of up to 4 per cent. of the worldwide annual turnover or 20 million euros (whichever is higher). A breach of personal data legislation could, therefore, have a material adverse effect on the Issuer's business and results of operations.

1.5 Risks related to the Notes

1.5.1 *The Issuer's obligations under the Notes are deeply subordinated*

The Notes are intended to constitute unsecured, deeply subordinated obligations of the Issuer. 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 payment of the then Nominal Amount only) shall at all times rank junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, (iii) any senior on-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (Sw. *förmånsrättslag* (1970:979)), and (iv) any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates 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 have a higher rate of interest than comparable notes which are not subordinated or which are subordinated to a lesser extent, the investment risk that in an event of voluntary or involuntary liquidation or bankruptcy of the Issuer, or in a loss event scenario, the value of the Notes may be reduced to zero.

As noted in the risk factors "*The Recovery and Resolution Directive*" above and "*Loss absorption at the point of non-viability*" 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.

1.5.2 *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 (as defined in the Terms and Conditions) 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; and (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 restrict or limit 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 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 other obligations as they fall 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 a cancellation of Interest as described above, the Issuer shall have no obligation to pay Interest or provide 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 which are not subject to such cancellation and also more sensitive generally to adverse changes in the Issuer's financial condition.

1.5.3 *Loss absorption following a Trigger Event*

If at any time the CET1 Ratio has fallen below 7.00 per cent. in the case of the Consolidated Situation this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be permanently written down to an amount to restore the CET1 Ratio of the Consolidated Situation to at least 7.00 per cent., provided that the Nominal Amount of each Note will not be reduced below SEK 1 (or such lower amount that is technically possible in accordance with the CSD Regulations and procedures, from time to time). In the event of a write down of the Notes is likely to result in a Noteholder losing some or all of its investment. Following such reduction in the 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 required 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 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 in which the Nominal Amount is less than the initial Nominal Amount, interest will accrue and be calculated 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 its determination as to whether a Trigger Event has occurred, shall be binding on the Noteholders, who shall not be entitled to challenge the published figures detailing the CET1 Ratio of the Issuer.

1.5.4 *Loss absorption at the point of non-viability*

The holders of Notes are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the Swedish FSA). As noted above in the risk factor "*The Recovery and Resolution Directive*", 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.

1.5.5 *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.

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

The Notes have no fixed final redemption date and the Noteholders have no rights to call for the redemption of the Notes. The Issuer has the option to, at its own discretion, redeem the Notes at any Business Day falling within the Initial Call Period or any Interest Payment Date falling after the Initial Call Period, but the Noteholders should not invest in the Notes with the expectation that such a call will be exercised by the Issuer.

If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA. The Swedish FSA may 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 therefore a risk that the Issuer will not exercise such a call or that the Swedish FSA will not permit such a call. The Noteholders may be required to bear the financial risks of an investment in the Notes for an indefinite period of time and there can be no assurance that the Issuer will or may exercise the call option.

1.5.7 *Admission to trading, liquidity and the secondary market*

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. However, the Issuer is dependent upon the prior approval of the listing from Nasdaq Stockholm for the purpose of listing the Notes on Nasdaq Stockholm. There is a risk that the Notes will not be admitted to trading in time, or at all. If the Issuer would fail to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or at all, the Noteholders would not be able to accelerate the Notes or otherwise request prepayment or redemption of the nominal amount of the Notes.

Even if the Notes are admitted to trading on the aforementioned market, active trading in the Notes does not always occur and a liquid market for trading in the Notes might not occur even if the Notes are listed. This may result in the Noteholders not being able to sell their Notes when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Notes. Further, the nominal value of the Notes may not be indicative compared to the market price of the Notes if the Notes are admitted to trading on Nasdaq Stockholm. It should also be noted that during a given time period it may be difficult or impossible to sell the Notes on the secondary market on reasonable terms, or at all, due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

1.5.8 *Substitution or variation of the Notes*

Subject to Clause 12.4 (*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 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.

1.5.9 *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 significant risk to the amount recoverable by Noteholders.

1.5.10 *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 significant risk to the amount recoverable by Noteholders.

1.5.11 *The Terms and Conditions do not contain any 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. 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. As a

result, there is a risk that the Noteholders will not receive any prepayment unless in the case of the Issuer being placed into bankruptcy or is subject to liquidation proceedings.

1.5.12 *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. 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 significant risk to the return on the Noteholder's investment.

1.5.13 *Noteholder representation and majority decisions by the Noteholders*

Under the Terms and Conditions, the Agent represents each Noteholder in all matters relating to the Notes. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions on its own against the Issuer. To enable the Agent to represent the Noteholders in court, the Noteholders can submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney can negatively impact the enforcement options available to the Agent on behalf of the Noteholders. Further, under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders.

Additionally, under the Terms and Conditions certain majorities of Noteholders have the right to make decisions and take measures that bind all Noteholders, including those who vote in a manner contrary to the majority. Therefore, the actions of the majority and the Agent in such matters impact the Noteholders' rights under the Finance Documents in a manner that is possibly undesirable for some of the Noteholders. The degree to which any such decisions may affect the Noteholders is uncertain and presents a highly significant risk that the actions of the majority and the Agent in such matters can impact the Noteholders'

rights under the Finance Documents in a manner that can be undesirable for some of the Noteholders.

2 Overview of the Notes

This section is only intended to serve as an introduction to the Notes. Any 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 40-77.

2.1 The Notes

The Issuer has issued 280 Notes with a Nominal Amount of SEK 1,250,000 each. The Notes are denominated in Swedish kronor. The aggregate nominal amount of the Notes is SEK 350,000,000.

2.2 ISIN

The Notes have been allocated the ISIN code SE0026876062.

2.3 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, no physical notes have been issued. The Notes are registered in accordance with the Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) 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 with the CSD's account-based system and is reliant on the functioning of such system.

2.4 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 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 obligations 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 obligations 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) except as expressly stated in paragraph (b) or (c) 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, and (iv) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*Förmånsrättslag (1970:979)*).

2.5 Issuance, repurchase and redemption

First Issue Date and tenor

The Notes were issued on 27 January 2026. 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 Notes by the Issuer and related companies

Subject to applicable regulations and Clause 12.5 (*Permission from the Swedish FSA*) of the Terms and Conditions, a Group Company, or any 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. Notes held by such company may at its discretion be retained, sold or cancelled.

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 at (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 redemption option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with the Terms and Conditions. The Notes shall be redeemed at a price Net equal to the Nominal Amount together with accrued but unpaid Interest.

Noteholders should invest in the Notes with the expectation that a call will not 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.

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 redeemed, substituted or varied before the First Call Date at the option of the Issuer if a Capital Event or Tax Event occurs.

The Issuer can exercise its option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent 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.

2.6 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 date, or to such other person who is registered with the CSD on such date as is determined to receive the relevant payment, repayment or repurchase amount.

2.7 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 plus 3.25 per cent per annum as adjusted by any application of Clause 18 (*Replacement of Base Rate*) of the Terms and Conditions.

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 27 January, 27 April, 27 July and 27 October, 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 27 April 2026 and the last Interest Payment Date shall be the relevant Redemption Date.

2.8 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 Noteholders and the Agent in accordance with the Terms and Conditions, which shall be given prior to the Record Date

for the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.

2.9 Trigger Events, loss absorption and reinstatement

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

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 the Terms and Conditions and the Total Nominal Amount and the Issuer's payment obligation under the 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 restore the CET1 Ratio of the Consolidated Situation to at least 7.00 per cent., at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note of SEK 1.00.

Following a write-down of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Capital Regulations and any other applicable regulations. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes.

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 (with a new ISIN) 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 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 Notes (if issued in full), being SEK 350,000,000.

2.10 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 the Swedish Financial Benchmark Facility ("**SFBF**"). SFBF is registered in the register of administrators provided by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of

Regulation (EU) 2016/1011 on indices used as benchmarks in financial instrument and financial contracts or to measure the performance of investment fund (the “**Benchmarks Regulation**”)

2.11 Admission to trading of the Notes

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 (earliest date for admission to trading being 29 January 2026), or, if such admission to trading is not possible to obtain, 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 of 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.

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 and admission to trading of the Notes in accordance with the above occurs.

It is estimated that the Issuer’s costs in conjunction with the admission to trading will be no higher than SEK 150,000.

2.12 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:

- (i) on the Record Date specified in the notice pursuant to Clause 16.2.1 of the Terms and Conditions, in respect of a Noteholders' Meeting, or
- (ii) on the Record Date specified in the communication pursuant to Clause 16.3.1 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. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Record Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

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.

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.

2.13 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.

2.14 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 respective 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 or otherwise request a prepayment or redemption of the Notes.

2.15 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.

2.16 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) and 23 (*Time-bar*) 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.

2.17 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 District Court of Stockholm (*Stockholms tingsrätt*).

2.18 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 Depository (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.

2.19 The Agent

Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, is initially acting 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.

2.20 The Issuing Agent

Skandinaviska Enskilda Banken AB (publ), has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

2.21 The Sole Bookrunner

Skandinaviska Enskilda Banken AB (publ) has been appointed as the Sole Bookrunner.

2.22 Rating

The Notes have not been assigned a credit rating by any credit rating agency.

2.23 Use of proceeds

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

2.24 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 effect 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.

3 Description of the Issuer

3.1 General information

The Issuer is a public limited liability company, incorporated in Sweden and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), with its registered office in Stockholm, Sweden. The Issuer was incorporated on 15 March 2018 under the laws of Sweden with corporate registration number 559153-2303. Its LEI number is 54930030QWEN-GUD8ZR59. Its registered address and phone number is as follows:

Borgo AB (publ)
Linnégatan 87 D
Box 24088
SE-104 50 Stockholm
Tel. +46 (0)10-525 25 00

The Issuer's website is www.borgohypotek.se. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. Any supplements to the Prospectus on the website are also part of the Prospectus.

The Issuer operates under Swedish law and is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Issuer undertakes financing operations as a credit market company and is governed by the Swedish Banking and Financing Business Act (Sw. *lag (2004:297) om bank- och finansieringsrörelse*) and the Covered Bond Act and is under supervision of the SFSA. In addition, the Issuer also complies with, *inter alia*, the Swedish Supervision of Credit and Investment Institutions Act (Sw. *Lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*) and Regulation (EU) No 575/2013 (CRR).

As of 30 September 2025, the Issuer had total assets of SEK 46,505.8 million, total equity of SEK 2,561.2 million and net operating profit of SEK -21.2 million (1 January — 30 September 2025).

As of 31 December 2024, the Issuer had total assets of SEK 43,923.6 million, total equity of SEK 2,614 million and net operating profit of SEK -216.3 million (1 January — 31 December 2024).

As of 31 December 2023, the Issuer had total assets of SEK 38,117.4 million, total equity of SEK 2,154 million and net operating profit of SEK -221.1 million (1 January — 31 December 2023).

As of 30 September 2025, the Issuer had 43 employees (based on hours worked, recalculated to full-time equivalent positions). As of 31 December 2024, the Issuer had 42 employees. The same number for 2023 was 36 employees.

For further information on the Issuer's financial position, please refer to the Issuer's Financial Statements incorporated by reference into this Prospectus.

3.2 Strategy

The Issuer's strategy is to conduct its business as a credit market company specializing in mortgage loans and financing of such loans by issuing securities such as covered bonds and by receiving deposits from the public. The majority of the mortgages will be mediated through its Distributors (as defined below). At the date of this Prospectus the distributors are the Issuer's owners, i.e. ICA Banken AB, corporate registration number 516401-0190 ("**ICA Banken**"), Ikano Bank AB (publ), corporate registration number 516406-0922 ("**Ikano Bank**"), Söderberg & Partners Bolån AB (which is a partly owned subsidiary of Söderberg & Partners Holding AB, corporate registration number 559193-0788 ("**Söderberg & Partners**"), which is one of the Issuer's direct owners), Sparbanken Syd, corporate registration number 548000-7425 ("**Sparbanken Syd**"), Ålandsbanken Abp (Finland), svensk filial (which is a Swedish branch of Ålandsbanken Abp, business identity code 0145019-3 ("**Ålandsbanken**"), which is one of the Issuer's direct owners) and Lån & Spar Sverige, Bankfilial (which is a Swedish branch of Lån & Spar Bank A/S, CVR no. 13 53 85 30 ("**Lån & Spar Bank**"), which is one of the Issuer's direct owners), jointly referred to as the "**Distributors**"). The credit intermediation and the work that each Distributor performs in connection with the distribution of mortgages and during the term of each mortgage is regulated in separate agreements between the Issuer and each respective Distributor.

In order to achieve profitability, the Issuer strives to achieve low financing costs. The goal is that responsible lending and good credit quality ensures that the Issuer can maintain the highest possible rating of the Issuer's covered bonds and an attractive pricing. By establishing itself as a regular issuer in the Swedish market for covered bonds, the Issuer will be able to offer its customers competitive terms.

The Issuer has entered into interest rate swap transactions governed by ISDA Master Agreement and may enter into additional interest rate swap transactions with third party counterparties, in respect of the assets registered in the Issuer's cover pool, in order to manage such risks. In addition, the Issuer has entered into, and may enter into additional, interest rate swap transactions which are of a similar nature but not relating to the cover pool.

3.3 Business activities

The Issuer was founded in 2018 with the purpose of originating mortgage loans and administering already originated mortgage loans on the Swedish market. On 11 March 2021, the Issuer was granted a license by the SFSA to conduct financing operations in accordance with the Swedish Banking and Financing Business Act and to issue covered bonds in accordance with the Covered Bond Act.

The Issuer conducts its lending of mortgage loans, as well as related products, through its owners as distributors, as described in section 3.2. The Issuer's operations will be capitalized by its owners and financed through deposits from the public and the issuance of covered bonds and other supplementary financing. As of 30 September 2025, the Issuer's interest-bearing liabilities amounted to approximately SEK 32 billion.

The Issuer offers deposit accounts to private and corporate customers and to the general public via a web-based application on its website. The Issuer will continuously monitor volume needs, success in each channel and pricing to ensure there are sufficient deposits to

cover the company's needs. In addition, the Issuer has several distribution partnerships in place. One such partnership is with Odevo AB ("**Odevo**"), which, among other arrangements, encompasses collaborations with SBC Sveriges BostadsrättsCentrum AB ("**SBC**") and Nabo Group AB ("**Nabo**"), both of which are subsidiaries of Odevo. Both SBC and Nabo are managers of finances for cooperative housing associations (Sw. *bostadsrättsföreningar*) and the partnership enables SBC and Nabo to offer its clients the savings account product of the Issuer. Additional distribution partnerships were launched during the second quarter of 2023, notably with Avanza Bank AB ("**Avanza**") as part of the "Sparkonto+"-offering, which will be terminated during the first quarter of 2026, and Lysa AB ("**Lysa**"), a savings platform. As of third quarter 2025, the Issuer and Levler SPQR AB ("**Levler**") have entered a cooperation in order to make the Issuer's savings account product available on Levler's platform.

In line with its strategy to further strengthen its digital infrastructure and distribution capabilities, the Issuer on 5 December 2025 acquired Hypoteket Group Sweden AB's ("**Hypoteket**") digital mortgage platform to enhance future customer offerings. The transaction also includes an option to acquire Hypoteket's approximately SEK 16 billion mortgage portfolio which, if exercised, would add Hypoteket's established distribution and brand and bring the combined mortgage portfolio to approximately SEK 50 billion.

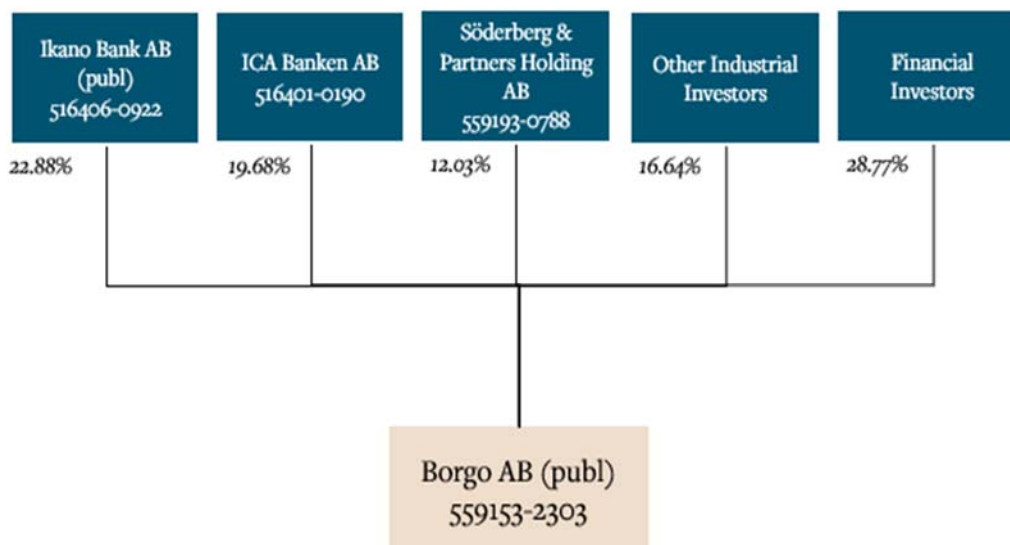
3.4 Organisational structure

As of the date of this Prospectus the Issuer is part of a group consisting of the Issuer and its wholly owned subsidiary HypoTech AB ("**HypoTech**"). HypoTech's main purpose is to develop, maintain and manage the digital mortgage platform acquired by the Issuer as described in section 3.3 above. The Issuer is, as of the date of this Prospectus, not dependent on HypoTech since it does not conduct any independent customer or marketing activities and has a negligible impact on the Issuer's revenue streams and risk profile. The Issuer is conducting all its business directly and through distributors and partnerships as further described in section 3.3.

3.5 Share capital, shares and ownership structure

As at the date of this Prospectus the share capital of the Issuer is SEK 1,124,500,300 and the number of ordinary shares is 22,490,006 (representing 22,490,006 votes). Each ordinary share will represent one vote at the shareholders' meetings.

As at the date of this Prospectus, there are six industrial investors in the Issuer, of which three are main shareholders as shown by the ownership structure below, ICA Banken, Ikano Bank, Söderberg & Partners, Ålandsbanken, Sparbanken Syd and Lån & Spar Bank, and a group of ten financial investors in the Issuer. Amongst the financial investors are Persson Invest, Proventus, Real Alliance Invest and Neptunia Invest. Each of the shareholders, owns the percentage of the shares in the Issuer as set out below. The shareholders' influence is exercised, to the extent voting rights held, through active participation in the decision-making process, in the forum of the general meeting of the Issuer's shareholders.



3.6 Board of Directors, Executive Team and Auditor

3.6.1 Board of Directors

The board of directors of the Issuer (the “**Board of Directors of the Issuer**”) has the overall responsibility for the activities of the Issuer and decides on the nature of its business and its business strategies and goals.

The Chief Executive Officer supervises the business operations of the Issuer in accordance with the instructions of the Board of Directors of the Issuer and is responsible for the day-to-day administration of the Issuer.

The members of the Board of Directors are annually elected at the annual general meeting for a one-year term ending at close of the next annual general meeting.

The Board of Directors consists of ten directors which are presented below.

LENNART FRANCKE – Chairman of the Board of Directors of the Issuer, M.Sc in Business and Economics, Stockholm School of Economics, and Program for Management Development, Harvard Business School, USA, born 1950

Background

Appointed by Swedbank Robur to a number of nomination committees for public companies. Previous experience as Senior Advisor and Head of Group Finance at Swedbank (2013–2014 and 2011–2012), Deputy CEO, Group Chief Financial Officer, and Group Chief Credit Officer at Handelsbanken (2001-2006 and 1998–2000). Held other managerial positions at Handelsbanken (1978–1998).

Membership in other Board of Directors and other positions of trust

Qliro AB, member of the Board of Directors (2016 -); Centrum för Näringslivshistoria CfN AB, member of the Board of Directors (2015-); the Affärsvärlden Foundation, member of the Board of Directors (2013-) and Chairman of the Board of Directors (2024-).

PER BALAZSI, MSc in Economics, Finance and Accounting, Lund University, Executive MBA Stockholm School of Economics, born 1966.

Background

ICA Banken, CFO (2012 -); SBAB Bank, CRO (2011-2012); SBAB Bank, Ekonomichef (2002-2011); Finansdepartementet, Kansliråd (1994-2002).

Membership in other Board of Directors and other positions of trust

N/A.

RAGNAR GUSTAVII, Studies in Economics and Business administration, Uppsala University and Leadership Programme INSEAD, born 1961

Background

Swedbank, Head CEO Office, member of the Management Team (2017-2019); EY, Country Managing Partner Sweden, Regional Managing Partner Clients and Sales Nordics, various positions (1998-2017).

Membership in other Board of Directors and other positions of trust

Gotlands Bilfrakt AB, Chairman of the Board of Directors (2025 -); TEG AB, member of the Board of Directors (2025 -).

JAN-GUNNAR EURELL, Master of Business Administration, University of Rhode Island, Bachelor of Science (Economics), Stockholm School of Economics, born 1959

Background

Ålandsbanken, CFO and deputy Managing Director (2011 -); Swedbank, Group Chief Financial Controller (2001-2006), Head of Group Finance (2006-2011); SEB, Chief Financial Controller for Retail Division (1984-2001).

Membership in other Board of Directors and other positions of trust

Pingst Förvaltning AB, Chairman of the Board of Directors (2024-) and member of the Board of Directors (2017-).

JULIA LANNERHEIM, Master of Laws, University of Stockholm, born 1978

Background

Riverty, Divisional Risk & Compliance Officer (2017 -); Bambora Group AB, Head of Group Credit, Risk & Legal (2014-2017); Euroline AB, Head of Group Credit, Risk & Legal (2014); SEB Kort Bank AB, Senior Legal Counsel (2011-2014); Advokatfirman Vinge KB, Associate/Senior Associate (2006-2011); Norrtälje District Court, Junior Judge (2004-2006).

Membership in other Board of Directors and other positions of trust

Riverty Sweden Group AB, Chairman of the Board of Directors (2021-); Riverty Sweden AB, member of the Board of Directors (2021-); BMG Rights Management (Scandinavia) AB,

member of the Board of Directors (2024-); Riverty A/S (Denmark), member of the Board of Directors (2024-); Gothia A/S (Denmark), member of the Board of Directors (2024-); Riverty Finland Oy (Finland), member of the Board of Directors (2024-); Riverty Norway AS (Norway), member of the Board of Directors (2024-); and Riverty Services Norway AS (Norway), Chairman of the Board of Directors (2025-).

GUSTAF RENTZHOG, BSc, Banking and Finance, Stockholm School of Business, born 1972

Background

Söderberg & Partners, CEO (2004 -); Carnegie Pension Consulting AB, Business Analyst (1996-2003), CEO (2003-2004).

Membership in other Board of Directors and other positions of trust

Söderberg & Partners Holding AB, member of the Board of Directors (2019-); Söderberg & Partners Insurance Consulting AB, member of the Board of Directors (2006-); PO Söderberg & Partner Aktiebolag, member of the Board of Directors (2004-); Real Alliance AB, member of the Board of Directors (2021-); Levler SPQR AB, member of the Board of Directors (2021-); Nore Technology AB, Chairman of the Board of Directors (2011-); S.P. Löner och Förmåner Holding AB, Chairman of the Board of Directors (2018-); Söderberg & Partners Asset Management S.A., member of the Board of Directors (2014-); Defensor Group AB, member of the Board of Directors (2025-).

ANNA WANBY, Master of Law, Lunds Universitet, born 1966

Background

Ikano Bank, CLO (2020 -) and Deputy CEO (2024-); Handelsbanken, Head Legal Department (South of Sweden) (2011-2020); Handelsbanken, Legal Counsel (2002-2011); Handelsbanken, Client Executive (1998-2002); Svenska Handelsbanken SA, Luxembourg, Legal Advisor (1995-1998).

Membership in other Board of Directors and other positions of trust

N/A

CAJ TIGERSTEDT, MSc, Accounting and Financial Management, Stockholm School of Economics, born 1986

Background

Proventus, CIO (2020-), Catella AB, Head of M&A and Group Investment Manager (2016-2020), M&A advisory (2009-2016).

Membership in other Board of Directors and other positions of trust

P Capital Partners III, member of Advisory Board (2022-); P Capital Partners IV, member of Advisory Board and Limited Partner Committee (2022-); Ace Music AB, member of Board of Directors (2021-); Atensin Group AB, member of the Board of Directors (2020-); and Atensin Invest AB, member of the Board of Directors (2020-).

JOHAN SANDBERG, MSc in Business and Economics, Lunds Universitet, born 1978

Background

Sparbanken Syd, Chief Financial Officer and deputy Chief Executive Officer (2019-); Sparbanken Syd, Head of Finance (2012-2019); SAXO Privatbank A/S, Nordic Controller (2010-2012); E*TRADE Financial, Nordic Controller (2009-2010); Folkia A/S, Group Controller (2008-2009); E*TRADE Financial, Lead Accountant (2007-2009); Norrtälje kommun, Financial Controller (2004-2007).

Membership in other Board of Directors and other positions of trust

Mäklarna Ekström & Co AB, member of the Board of Directors (2024-).

JOHAN KARLSSON, studies at the Commercial and Business Law program, Linköping University (no degree obtained), born 1985

Background

Neptunia Invest AB (publ), CEO (2013 -); Slättö Förvaltning AB, CEO (2013 -).

Membership in other Board of Directors and other positions of trust

Brofund Group AB and its affiliated companies, member of the Board of Directors (2013-); SIBS AB (publ) and its affiliated companies, member of the Board of Directors (2018-); JK Investment AB, member of the Board of Directors (2017-); Real Alliance AB, member of the Board of Directors (2025-).

3.6.2 **Executive Team**

The Executive Team serves as an advisory team to the Chief Executive Officer and has decision making powers in any matters that the Board of Directors of the Issuer has delegated to it.

The Executive Team consists of six persons which are presented below.

PEHR OLOFSSON	Born 1970
Master in Law & Economics	Member of the Executive Team since
Chief Executive Officer	2024
	<i>Membership in other Board of Directors and other positions of trust: N/A</i>
EMMA DI NICOLA	Born 1982
MSc, Business and Economics	Member of the Executive Team since
Chief Risk Officer	2021
	<i>Membership in other Board of Directors and other positions of trust: N/A</i>

CAROLIN RUNNQVIST Social Work Program, Stockholm University Chief Information Officer	Born 1979 Member of the Executive Team since 2024 <i>Membership in other Board of Directors and other positions of trust: N/A</i>
KARL AIGÉUS Master in Banking & Finance, BA Social Sciences, Diploma Programme for Financial Analysts (CEFA) Interim Chief Financial Officer	Born 1973 Member of the Executive Team since 2025 <i>Membership in other Board of Directors and other positions of trust: N/A</i>
PETER WALLDÖR BSc in Business Administration Chief Governance Officer, deputy CEO	Born 1983 Member of the Executive Team since 2018 Holds warrants in the Issuer indirectly through Caserne AB (previous owner of the Issuer), in which Peter Walldör is partner <i>Membership in other Board of Directors and other positions of trust: Caserne AB, chairman of Board of Directors (2017-).</i>
LINNEA SIGOT MSc in Industrial Engineering and Management Chief Credit Officer	Born 1989 Member of the Executive Team since 2025 <i>Membership in other Board of Directors and other positions of trust: N/A</i>

3.6.3 Business address

The address for all members of the Board of Directors of the Issuer and members of the Executive Team is the registered address of the Issuer being Box 24088, SE-104 50 Stockholm with visiting address Linnégatan 87 D, 115 23 Stockholm.

3.6.4 Independence of directors

The Issuer is not required to comply with any corporate governance code. According to the Board of Directors' internal evaluation made in accordance with the Issuer's policies and internal guidelines, all Board members are independent in relation to the Issuer. The Board members Lennart Francke, Ragnar Gustavii and Julia Lannerheim are independent in relation to significant shareholders.

- Per Balazsi represents ICA Banken which will mediate mortgages on behalf of the Issuer (see “*Description of the Issuer – Strategy of the Issuer*”) and which owns 19.68 per cent. of the Issuer’s shares and total voting power;
- Anna Wanby represents Ikano Bank which will mediate mortgages on behalf of the Issuer (see “*Description of the Issuer – Strategy of the Issuer*”) and which owns 22.88 per cent. of the Issuer’s shares and total voting power;
- Gustaf Rentzhog is an indirect shareholder of the Issuer and represents Söderberg & Partners which will mediate mortgages on behalf of the Issuer (see “*Description of the Issuer – Strategy of the Issuer*”) and which owns 12.03 per cent. of the Issuer’s shares and total voting power;
- Jan-Gunnar Eurell represents Ålandsbanken which will mediate mortgages on behalf of the Issuer (see “*Description of the Issuer – Strategy of the Issuer*”) and supply the Issuer with platform solutions consisting of four main services - treasury, payments, credits and accounting and which owns 8.33 per cent. of the Issuer’s shares and total voting power;
- Johan Sandberg represents Sparbanken Syd which will mediate mortgages on behalf of the Issuer (see “*Description of the Issuer – Strategy of the Issuer*”) and which owns 3.85 per cent. of the Issuer’s shares and total voting power;
- Caj Tigerstedt represents Proventus AB, being one of the financial investors, which owns 3.28 per cent. of the Issuer’s shares and total voting power; and
- Johan Karlsson represents Neptunia Invest AB (publ), being one of the financial investors, which owns 1.58 per cent. of the Issuer’s shares and total voting power.

3.6.5 Conflicts of interest

Emma di Nicola, who is the Chief Risk Officer of the Issuer, is married to the head of financial services at Odevo, the parent company of MONU which is the technical platform through which SBC and Nabo offer its clients deposit accounts with the Issuer (see “*Description of the Issuer – Business activities*”). Other than that, and what is stated above under “*Independence of directors*”, there are no conflicts of interest between any duties of the members of the Board of Directors of the Issuer or the Executive Team to the Issuer and their private interests or duties.

3.6.6 Auditor

According to the Issuer’s articles of association, the Issuer shall have one auditor. Öhrlings PricewaterhouseCoopers AB is the Issuer’s auditor, with Peter Nilsson (born 1972) as the auditor in charge during the period covered by the historical financial information. At the annual general meeting held on 12 June 2025, Öhrlings PricewaterhouseCoopers AB was re-elected with Peter Nilsson as the auditor in charge for the time leading up to the next annual general meeting. Peter Nilsson is a certified public accountant and member of FAR. Öhrlings PricewaterhouseCoopers AB office address is Torsgatan 21, SE-113 21 Stockholm.

4 Legal and Supplementary Information

4.1 Information regarding the Prospectus

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA'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.

4.2 Responsibility

The board of directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import. The issuance of the Notes was authorised by a resolution of the board of the directors of the Issuer on 13 November 2025.

4.3 Legal and arbitrary proceedings

The Issuer has not been a party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous twelve months from the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

4.4 Certain material interests

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

4.5 Material changes and trend information

There have been no significant changes to the Issuer's financial performance or position since 30 September 2025 (the end of the period of the Interim Report), nor has there been any material adverse change in the prospects of the Issuer since 31 December 2024, being the end of the last financial period for which an audited financial report has been prepared and there have been no recent events specific to the Issuer which to a material extent are relevant to the evaluation of the Issuer's solvency.

4.6 Material agreements

Presented below is a summary of material agreements which has been concluded by the Issuer outside the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders.

Option to acquire Hypoteket's mortgage portfolio

As disclosed in Section 3.3 above, the agreement for the Issuer's acquisition of Hypoteket's digital mortgage platform includes an option for the Issuer to acquire Hypoteket's existing mortgage portfolio of approximately SEK 16 billion. Upon full exercise of the option, the combined mortgage portfolio is expected to amount to approximately SEK 50 billion.

4.7 Information from third parties

This prospectus contains data from third parties. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted or which would render the reproduced information inaccurate or misleading. However, the Issuer has not independently verified the information and therefore, the accuracy and completeness cannot be guaranteed.

4.8 Information incorporated by reference

4.8.1 Existing financial information incorporated by reference

The Issuer's audited annual reports for the financial years ended 31 December 2024 and 31 December 2023, respectively (the "**Financial Statements**") and the Issuer's unaudited interim report for the period 1 January – 30 September 2025 (the "**Interim Report**") are incorporated into this Prospectus. The Financial Statements and the Interim Report are incorporated by reference to the extent set out below. The Financial Statements and the Interim Report are to be read as part of this Prospectus, provided that the non-incorporated parts are not relevant for investors in the Notes or covered elsewhere in the Prospectus.

The Issuer's annual report for the financial year ended 31 December 2024:

1. income statement, page 26-27;
2. balance sheet, page 28;
3. statement of changes in equity, page 29;
4. cash flow statement, page 30;
5. the notes, pages 31-53; and
6. the audit report, pages 56-59.

The Issuer's annual report for the financial year ended 31 December 2023:

1. income statement, pages 26-27;

2. balance sheet, page 28;
3. statement of changes in equity, page 29;
4. cash flow statement, page 30;
5. the notes, pages 31-51; and
6. the audit report, pages 54-56.

The Issuer's interim report for the period 1 January – 30 September 2025

1. income statement, page 7-8;
2. balance sheet, page 9;
3. statement of changes in equity, page 10;
4. cash flow statement, page 11; and
5. the notes, pages 12-18.

The Financial Statements have been audited. Save for the Financial Statements, the Issuer's auditor has not audited or reviewed any part of this Prospectus.

The Financial Statements have been prepared in accordance with International Standards on Auditing.

The Financial Statements and Interim Report referred to above are available on the Issuer's website <https://www.borgohypotek.se/investor-relations#finanssiella-rapporter-och-bolagsdokument>. The information on the website, including pages or sections not expressly referred to, is not part of this Prospectus and has not been scrutinised or approved by the SFSa unless that information is incorporated by reference into this Prospectus.

4.8.2 Documents available for inspection

Copies of the Issuers articles of association and certificate of registration together with all other documents incorporated into this Prospectus by reference are available at the Issuer's head office at Linnégatan 87 D, 115 23 Stockholm and at the Issuer's website, www.borgohypotek.se.

5 Terms and Conditions

1 Definitions and Construction

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator 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 at the relevant time.

“**Additional Tier 1 Capital Exclusion Event**” has the meaning set forth in Clause 16.4.9.

“**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 Consolidated Situation including, without limitation to the generality of the foregoing, CRD, 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 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 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 (i) the Issuer demonstrates to the satisfaction of the Swedish FSA that such change was not reasonably foreseeable at the Issue Date, and (ii) 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 Consolidated Situation, respectively, as calculated by the Issuer in accordance with the Applicable Capital Regulations.

“CET1 Ratio” means, at any time, 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, as calculated by the Issuer in accordance with the CRD requirements and any applicable transitional arrangements under the Applicable Capital Regulations at the relevant time.

“Consolidated Situation” means the Issuer and any other entities which are 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” means the legislative package consisting of the CRD IV Directive, CRD V Directive, CRD VI Directive, the CRR, the CRR II, the CRR III and any CRD Implementing Measures.

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

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

“CRD V Directive” means Directive 2019/878/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 20 May 2019, as the same may be amended or replaced from time to time.

“CRD VI Directive” means Directive (EU) 2024/1619 on supervisory powers, sanctions, third-country branches, and environmental, social and governance risks of the European Parliament and of the Council of 31 May 2024, 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.

“CRR II” means Regulation (EU) No. 876/2019 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 20 May 2019, as the same may be amended or replaced from time to time.

“CRR III” means Regulation (EU) 2024/1623 on requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor of the European Parliament and of the Council of 31 May 2024, 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 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 27 January 2031).

“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 from the First Call Date.

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

“Interest Payment Date” means 27 January, 27 April, 27 July and 27 October 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 27 April 2026 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 3.90 per cent. *per annum* as adjusted by any application of Clause 18 (*Replacement of Base Rate*).

“Issue Date” means 27 January 2026.

“Issuer” means Borgo AB (publ), a public limited liability company incorporated under the laws of Sweden with Swedish Reg. No. 559153-2303 and LEI code: 54930030QWEN-GUD8ZR59.

“Issuing Agent” means initially Skandinaviska Enskilda Banken AB (publ), or such other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“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 or indirectly by the Issuer following a substitution or variation of the Notes in accordance with Clause (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) 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;
- (f) shall comply with the then current requirements for Additional Tier 1 Capital contained in the Applicable Capital Regulations; and
- (g) if the Notes were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, the Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on a Regulated Market within thirty (30) days from their issuance (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).

“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” has the meaning as set forth in Clause 11.2.3.

“Risk Exposure Amount” means, at any time, with respect to the Consolidated Situation, the aggregate amount of the risk weighted assets or equivalent of the Consolidated Situation, 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 LSEG 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 LSEG 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 (a) 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 (a) above is available for the relevant Interest Period and no quotation is available pursuant to paragraph (b) 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)*).

“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, the relevant governmental supervisory authority in such other jurisdiction) or the European Union 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 the Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 7.00 per cent. 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 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 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, initially, SEK 350,000,000. 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 one hundred (100) per cent. of the Nominal Amount.
- 2.5 The ISIN for the Notes is SE0026876062.
- 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 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) 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; and
 - (iv) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*).
- 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 (including any damages awarded for breach of any obligations under these Terms and Conditions, if any are payable) 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 received (acting reasonably).
- 5.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3, the Issuing Agent shall settle the issuance of the Notes and pay the proceeds from the issuance of the Notes to the Issuer on the Issue Date.

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 an 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 (*Interest cancellation*) and Clause 11 (*Loss Absorption and Reinstatement*), 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, prior to the Record Date for the relevant Interest Payment Date. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above and non-payment of any amount of interest scheduled to be paid on an Interest Payment Date will constitute evidence of cancellation of the relevant payment, whether or not notice of cancellation has been given by the Issuer 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 of interest 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, 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 unless, in accordance with the Applicable Capital Regulations, the Swedish FSA has agreed with the Issuer in writing that a write-down may occur after a longer period, in which case, on such date as agreed with the Swedish SFS. 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 and 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 amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 Ratio of the Consolidated Situation to at least 7.00 per cent., in each case at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note of SEK 1.00 (or such lower amount as is technically possible in accordance with the CSD Regulations and procedures, from time to time).
- 11.1.5 A write-down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall be made taking into account any preceding or imminent write-down of corresponding or similar loss absorbing instruments issued by the Issuer, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.1.6 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).
- 11.1.7 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 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 shareholder(s) (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 amount 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 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 350,000,000.
- 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 Consolidated Situation) 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 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 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, with regard to the Issuer, cancelled, provided that such action has been approved by the Swedish FSA (if and to the extent then required by the Applicable Capital Regulations).

12.4 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 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 (*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 obtaining 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 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 Redemption, Substitution or Variation

12.7.1 Any redemption, substitution or variation in accordance with Clauses 12.2 (*Redemption at the option of the Issuer*) and 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer having given not less than fifteen (15) Business Days' notice to the Noteholders and the Agent 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 five (5) 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;
- (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;
- (c) as soon as the same become available, but in any event within three (3) months after the end of each financial year, a report on regulatory capital for the Consolidated Situation (if required to be prepared pursuant to the Applicable Capital Regulations); and
- (d) from, and as long as the Notes are admitted to trading on a Regulated Market, any other information required by the Swedish Securities Markets Act (*Iag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

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 one hundred (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, netting or counterclaim against monies owed 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) *first*, in or towards payment *pro rata* of:
 - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement 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 16.4.13;
- (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 or acceleration 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 of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a 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 Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Noteholder(s) 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*). 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 supply to the Agent a copy of the dispatched notice or 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 precedent and conditions subsequent;
 - (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 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 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 precedent and conditions subsequent;
 - (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 the 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 Record Date specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or 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 to 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 the terms dealing with the requirements for Noteholders' consent set out in Clauses 16.4 (*Majority, quorum and other provisions*);
- (c) 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;
- (d) a mandatory exchange of the Notes for other securities (which for the avoidance of doubt shall always be subject to Clause 12.5 (*Permission from the Swedish FSA*) above); and
- (e) a redemption of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to the Applicable Capital Regulations and 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 fifty (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 (a)-(f).

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 If any matter decided in accordance with this Clause 16 (*Decisions by Noteholders*) would require consent from the Swedish FSA, such consent shall be sought by the Issuer.
- 16.4.9 The Noteholders may not resolve to make amendments to these Terms and Conditions if the Issuer, after consultation with the Swedish FSA, considers that a change in the Terms and Conditions would be likely to result in the exclusion of the Notes from the Additional Tier 1 Capital of the Consolidated Situation (an "**Additional Tier 1 Capital Exclusion Event**"). A resolution by the Noteholders to amend these Terms and Conditions is not valid if the Issuer, after consultation with the Swedish FSA, considers that such an amendment would be likely to result in an Additional Tier 1 Capital Exclusion Event.
- 16.4.10 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.
- 16.4.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of an 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.
- 16.4.12 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.

- 16.4.13 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.
- 16.4.14 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.
- 16.4.15 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 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 (*lag (2015:1016) om resolution*);
 - (d) 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;
 - (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 (*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 (a) to (c) (inclusive) of the definition of STIBOR.
- 18.1.3 Notwithstanding any provision in this Clause 18, no Successor Base Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Terms and Conditions will be made pursuant to this Clause 18, if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to lead to a disqualification of the Notes from the Additional Tier 1 Capital of the Consolidated Situation, whether on a solo, group or consolidated basis.

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 where the Issuer is declared bankrupt or put into liquidation as set out in Clause 14.2 occurs 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 calculation 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 (*Notices etc*), 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 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

19.2.10 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.

19.3 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 the Finance Documents.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the 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 (*Replacement of the Agent*), 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 (*Iag (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 2 (*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, lock-outs, 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 (*Force Majeure*) 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*).

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