

OFFERING CIRCULAR



HOIST FINANCE AB (publ)

(incorporated with limited liability in Sweden)

€1,000,000,000

Euro Medium Term Note Programme

Under this €1,000,000,000 Euro Medium Term Note Programme (the **Programme**), Hoist Finance AB (publ) (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively **Bearer Notes** and **Registered Notes**). Under the Programme, Notes may be (i) senior preferred notes with the ranking described in Condition 3.1 of the “*Terms and Conditions of the Notes*” (**Senior Preferred Notes**), (ii) senior non-preferred notes with the ranking described in Condition 3.2 of the “*Terms and Conditions of the Notes*” (**Senior Non-Preferred Notes**) or (iii) subordinated notes with the ranking described in Condition 3.3 of the “*Terms and Conditions of the Notes*” and, on issue, constituting Tier 2 Capital (as defined in the “*Terms and Conditions of the Notes*”) (**Subordinated Notes**), in any case as specified in the applicable Final Terms (as defined below) (or Pricing Supplement (as defined below), in the case of Exempt Notes (as defined below)). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “*Risk Factors*”.

This Offering Circular has been approved as a base prospectus by the Central Bank of Ireland, as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The Central Bank of Ireland only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the Central Bank of Ireland should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to Notes that are to be admitted to trading on the regulated market (the **Euronext Dublin Regulated Market**) of the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**).

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to its official list

(the **Official List**) and trading on the Euronext Dublin Regulated Market. References in this Offering Circular to the Notes being **listed** (and all related references) shall mean that, unless otherwise specified in the applicable Final Terms, the Notes have been admitted to the Official List and trading on the Euronext Dublin Regulated Market.

This Offering Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. References in this Offering Circular to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The Central Bank of Ireland has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be delivered to the Central Bank of Ireland and, where listed, Euronext Dublin.

Copies of Final Terms in relation to Notes to be listed on Euronext Dublin will also be published on the website of the Central Bank of Ireland. In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

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 may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been rated Baa3 in respect of senior unsecured debt and Ba3 in respect of subordinated debt by Moody's Investors Service (Nordics) AB (**Moody's**). The Programme has been rated (P)Baa3 in respect of senior unsecured debt, (P)Ba2 in respect of junior senior unsecured debt and (P)Ba3 in respect of subordinated debt by Moody's. Moody's is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. Moody's is not established in the United Kingdom (**UK**) and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK CRA Regulation**). Accordingly, the ratings issued by Moody's have been endorsed by Moody's Investors Service

Ltd in accordance with the UK CRA Regulation and have not been withdrawn. Moody's Investors Service Ltd is established in the UK and registered under the UK CRA Regulation.

Notes issued under the Programme may be rated or unrated by Moody's. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the rating assigned to the Programme by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger

DEUTSCHE BANK

Dealers

**CITIGROUP
DEUTSCHE BANK**

**CREDIT SUISSE
NORDEA**

The date of this Offering Circular is 22 June 2023.

IMPORTANT INFORMATION

This document (the "*Offering Circular*") comprises a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the Central Bank of Ireland.

None of the Dealers, any of their respective affiliates or the Trustee (as defined below) have authorised the whole or any part of this Offering Circular or independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, any of their affiliates or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme or for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with any issue and offering of the Notes under the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

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

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the

Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by 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 PRIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (**UK MiFIR**); or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE AND TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE AND TARGET MARKET

The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

SINGAPORE: SECTION 309B(1)(C) NOTIFICATION

In connection with Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has, unless otherwise notified before an offer of Notes and specified in the applicable Final Terms or Pricing Supplement, as the case may be, determined the classification of all Notes to be issued under the Programme as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

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

of Notes in the United States, the EEA (including Sweden and Belgium), the UK, Singapore and Japan; see "*Subscription and Sale*".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2021 and 31 December 2022 (together, the **Financial Statements**).

The Issuer's financial year ends on 31 December, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, the following terms as used in this Offering Circular have the meanings defined below:

- **SEK** refers to Swedish kronor;
- **EUR** refers to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- **GBP** refers to Pounds Sterling; and
- **PLN** refers to Polish Zloty.

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

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

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

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

BENCHMARKS REGULATION

Amounts payable on Floating Rate Notes or Fixed Reset Notes issued under the Programme may be calculated by reference to one of the euro interbank offered rate (**EURIBOR**), the Stockholm interbank offered rate (**STIBOR**) and/or the Norwegian interbank offered rate (**NIBOR**) as specified in the applicable Final Terms or applicable Pricing Supplement (in the case of Exempt Notes). As at the date of this Offering Circular, the European Money Markets Institute (as administrator of EURIBOR), Norske Finansielle Referanser AS (as administrator of NIBOR) and the Swedish Financial Benchmark Facility (as administrator of STIBOR) are included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Offering Circular or a supplement to the Offering Circular, will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Hoist Finance AB (publ)
Issuer Legal Entity Identifier (LEI):	549300NPK3FB2BEL4D08
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under " <i>Risk Factors</i> ".
Description:	Euro Medium Term Note Programme
Arranger:	Deutsche Bank Aktiengesellschaft
Dealers:	Citigroup Global Markets Europe AG Credit Suisse Bank (Europe), S.A. Deutsche Bank Aktiengesellschaft Nordea Bank Abp and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restriction applicable at the date of this Offering Circular:

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the

purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent; see "*Subscription and Sale*".

Status of the Notes:

Senior Preferred Notes

The Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves. The rights of the holder of any Senior Preferred Note in respect of or arising from the Senior Preferred Notes shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank at least *pari passu* with all other unsecured indebtedness of the Issuer from time to time outstanding and senior to any Senior Non-Preferred Liabilities (as defined in the Conditions), subject, in all cases, to mandatory provisions of Swedish law.

Senior Non-Preferred Notes

Senior Non-Preferred Notes are intended to constitute MREL Eligible Liabilities and Senior Non-Preferred Liabilities.

The Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves. The rights of the holder of any Senior Non-Preferred Note in respect of or arising from the Senior Non-Preferred Notes shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank as described in Condition 3.2(b) in relation to the claims of other creditors.

Subordinated Notes

The Subordinated Notes will constitute subordinated and unsecured obligations of the Issuer. Payments in respect of the Subordinated Notes will be subordinated as described in Condition 3.3.

Trustee:

Citibank, N.A., London Branch

Issuing and Principal Paying Agent:

Citibank, N.A., London Branch

Registrar:

Citibank Europe PLC

Programme Size:

Up to €1,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in either bearer or registered form as described in " <i>Form of the Notes</i> ". Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Fixed Reset Notes:	The interest rate on Fixed Reset Notes will reset on each Reset Date by reference to the relevant Reset Margin and Mid-Swap Rate.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Exempt Notes:	The Issuer may agree with any Dealer and the Trustee that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.

Redemption: The applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will state the final redemption price and final maturity date of the relevant Notes.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution; see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Benchmark Discontinuation: In the case of Floating Rate Notes or Fixed Reset Notes, if a Benchmark Event occurs, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments, as further described in Condition 5.4.

Early Redemption: Early redemption of any Notes will be permitted:

- (a) at the option of the Issuer, for taxation reasons as described in Condition 7.2;
- (b) following an Event of Default as described in Condition 10;
- (c) in the case of Subordinated Notes, where "Redemption upon occurrence of Capital Event" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), at the option of the Issuer upon the occurrence of a Capital Event as described in Condition 7.12;
- (d) in the case of Senior Non-Preferred Notes, where "Redemption upon occurrence of a MREL Disqualification Event" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), at the option of the Issuer upon the occurrence of a MREL Disqualification Event as described in Condition 7.13; and/or
- (e) in the case of Senior Preferred Notes where "Change of Control Put" is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), at the option of Noteholders upon the occurrence of a Put Event as described in Condition 7.7,

but will otherwise be permitted only to the extent specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

Senior Non-Preferred Notes and Subordinated Notes may be redeemed prior to their original maturity date only with the prior

consent of the Resolution Authority or the SFSA, respectively (each as defined in Condition 3.5).

Substitution or Variation – Senior Non-Preferred Notes and Subordinated Notes:

In the case of Senior Non-Preferred Notes and Subordinated Notes, where “Substitution or variation” is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), if at any time, in the case of Senior Non-Preferred Notes, a MREL Disqualification Event or, in the case of Subordinated Notes, a Capital Event occurs and is continuing, or in order to ensure the effectiveness and enforceability of Condition 19.5, the Issuer may, with the prior consent of the Resolution Authority (in the case of Senior Non-Preferred Notes) or the SFSA (in the case of Subordinated Notes), substitute such Senior Non-Preferred Notes or such Subordinated Notes, as the case may be, for, or vary their terms so that they remain or, as appropriate, become, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 7.15.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note (other than an Exempt Note) will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Calculation Amount:

The Calculation Amount for any Series of Notes will be specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) and will be the single highest whole number which, when each Specified Denomination of the relevant Series is divided by such number, results in a whole number. For example, where the Specified Denominations of a Series of Notes are specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) as being €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, the Calculation Amount specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) will be €1,000.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay Additional Amounts to cover the amounts so deducted.

In the case of Senior Non-Preferred Notes, Subordinated Notes

and (if “Senior Preferred Notes Restricted Gross Up” is specified as being applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement)) Senior Preferred Notes, and notwithstanding the foregoing, the obligation to pay Additional Amounts by the Issuer will be limited to payments of interest only.

Covenants:

The terms of the Senior Preferred Notes will contain certain covenants, including a negative pledge provision, as further described in Condition 4. The covenants are subject to suspension in certain events related to the rating of the Issuer and the relevant Series of Senior Preferred Notes.

Cross Default:

The terms of the Senior Preferred Notes will (unless “Senior Preferred Notes Restricted Events of Default” is specified as being applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement)) contain a cross default provision as further described in Condition 10.

The terms of the Senior Non-Preferred Notes, the Subordinated Notes and (if “Senior Preferred Notes Restricted Events of Default” is specified as being applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement)), the Senior Preferred Notes will not contain a cross default provision.

Rating:

The Programme has been rated (P)Baa3 in respect of senior unsecured debt, (P)Ba2 in respect of junior senior unsecured debt and (P)Ba3 in respect of subordinated debt by Moody’s. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing:

Application has been made for Notes issued under the Programme to be listed on Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be

construed in accordance with, English law, except that the provisions contained in Conditions 3.1, 3.2, 3.3 and 3.4 will be governed by, and construed in accordance with, Swedish law.

Loss Absorption:

Notes may be written down or converted to CET1 instruments. See "*Risk Factors - The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of any Notes*" and "*Risk Factors - Loss absorption at the point of non-viability of the Issuer*". By acquiring any Note, each Noteholder shall be deemed to acknowledge, accept and consent to the application or exercise of such Swedish statutory loss absorption powers in respect of their Notes or any liability thereunder, as provided in Condition 19.5, and shall be bound by the effect of any such application or exercise.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Sweden and Belgium), the UK, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes; see "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes).

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. The Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including in the documents incorporated by reference in this Offering Circular) and reach their own views prior to making any investment decision.

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

Risks relating to the Issuer as a separate entity

The Issuer is the parent company of the Group. A large part of the Issuer's business is conducted through its subsidiaries, on which the Issuer, as a consequence thereof, is dependent in order to fulfil its obligations under the Notes issued under the Programme. Further, the Issuer's subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due pursuant to any of the Issuer's obligations under the Notes or other obligations or to make any funds available therefor. The ability of the Issuer's subsidiaries to pay any dividends and distributions will be subject to, among other things, the terms of any debt instruments of those subsidiaries then in effect and applicable law. Accordingly, there is a risk that the Issuer's subsidiaries will not generate sufficient cash flow to pay dividends or distributions to the Issuer to enable it to fulfil its obligation under the Notes issued under the Programme. The risk factors mentioned in this Offering Circular and described as being relevant for the Group are thus relevant also for the Issuer as a separate entity and the performance of the Issuer of its obligations under the Notes.

Risks relating to the Group's market and industry

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

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

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

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

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

If the economies of the Group's principal markets suffer a material downturn for a prolonged period of time that, in turn, increases the unemployment rate, the Group companies may be unable to perform debt collections at a level consistent with their past practice due to the inability of customers to make payments at the same levels or at all. The Group's customers' ability to make payments under claims that the Group owns may also be adversely affected by increasing interest rates since the customers' other debt may be adversely affected in such case. Furthermore, through the significant amount of debt acquired by the Group that is originated by financial institutions, the Group is also exposed to such developments which could lead to adverse economic conditions in the Group's markets (see also "*A significant amount of the debt acquired by the Group is originated by financial institutions.*").

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

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

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

The Group operates in markets that are competitive.

The Group faces strong competition in all areas and markets, including from other pan-European competitors and competitors that are active on local markets. The Group's main competitors are debt purchasing companies, integrated firms operating a wider range of financial service businesses, as well as specialist investors. Some competitors that are active only in their local market and not on a pan-European basis are

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

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

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

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

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

As described under "*The Group may not be able to collect the expected amounts on portfolios acquired.*", the Group's assets mainly consist of portfolios of acquired debt and the Group is dependent on its ability to collect on those debts. Even if the Group aims to help its customers to keep their commitments, the Group must sometimes take legal actions and collect on the debts through legal proceedings. When the Group commences enforcement actions through legal proceedings, courts may require a copy of the account statements or credit agreement to be attached to the pleadings in order to obtain a judgement against a particular customer. Since the Group acquires debt portfolios from debt originators, the Group does not always receive all relevant account documents for each debt. Consequently, when the Group is unable to produce account documents in response to a court's request, that claim would be legally unenforceable.

Further, even if the Group has received all relevant account documents, there is a risk that the account documents for the original debts will be found to be legally unenforceable, which would lead to courts denying the Group's claims and the Group will not be able to collect the relevant debts. Furthermore, any changes to laws, regulations or rules that affect the manner in which the Group initiates enforcement proceedings, including rules affecting documentation, could result in increased administration costs or limit the availability of litigation as a collection tool, which could have a material adverse effect on the Group's business and results of operations.

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

Risks related to the Group's business

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

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

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

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

The Group recovers on claims that may become subject to insolvency procedures under applicable laws and the Group also acquires portfolios containing claims that are subject to ongoing insolvency proceedings. Various economic trends, in particular downward macroeconomic factors such as those experienced during the COVID-19 pandemic, as well as potential changes to existing legislation, may contribute to an increase in the number of customers subject to personal insolvency procedures. The majority of the portfolios that the Group acquires are unsecured and the Group is generally unable to collect on such portfolios in an insolvency procedure. The transfer of ownership of acquired claims may require certain assignment procedures. Should the transfer of a claim not meet applicable requirements, legal title to the relevant claim

will not pass to the Group company, which may result in the loss of such claim (see also “*The Group may be unable to obtain account documents for some of the accounts that it acquires.*”). The Group’s ability to successfully collect on portfolios may decline or the timing of when the Group collects on portfolios may be delayed, with an increase in personal insolvency procedures, if customers have set-off rights related to the collected claims or if the Group fails to comply with applicable transfer requirements.

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

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

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

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

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

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

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

Furthermore, the Group has previously entered, and may in the future enter, into forward flow agreements. Pursuant to forward flow agreements, the Group may agree to buy claims of a certain character at a pre-defined price or price range for a given volume from a debt originator on an on-going basis. If the Group enters into a forward flow agreement and the value of acquired portfolios decreases subsequent to entering into the agreement, the Group may end up paying a higher amount for such portfolios than it would agree at the time of acquisition in a spot transaction, which could result in the Group missing out on higher alternative returns. In addition, under some forward flow agreements the Group may only be contractually permitted to terminate such agreements in certain limited circumstances. In a more competitive environment, the Group could be faced with a decision to either decrease its acquisition volume or agree to forward flow agreements at increased prices or with less contractual protection. For a forward flow agreement to be economically advantageous, the Group must ensure that the nature of claims contained in the portfolios acquired under such agreements remain consistent with those reviewed as part of the due diligence process.

When pricing forward flow agreements, the Group generally takes into account potential future fluctuations in the value of the debt that is acquired through such agreements, but the fluctuations in value may exceed the Group's expectations. If the Group is unable to contractually terminate an agreement it may have to accept claims that are of a lower quality than it intended to acquire, which could result in lower returns. Should the quality of debt supplied under forward flow agreements vary from the Group's pricing assumptions, there is a risk that the Group may price the agreements incorrectly.

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

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

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

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

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

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

to the risk of such changes for a significant period of time, which could have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

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

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

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

Customer dialogue is increasingly moving towards digital channels. Many customers prefer to manage their own accounts, without going through customer centres. The Group's aim is to offer its customers the ability to self-serve and interact with the Issuer through a choice of digital channels at any time and via any device. In order to support the Group's ambitions for digital leadership in the debt purchasing industry, the Group has, for example, launched a chatbot and implemented customer interaction via WhatsApp in Italy and, in 2021, the Group deployed digital customer self-service portals in eight markets. During 2021, the Group also extended its digital payment solutions to Blik, Paypal, Apple Pay and Google Pay and in 2022 the Group further improved its digital solutions, with the digital share of debt collections increasing as a result. The Group's focus on digitalisation entails that the Group is dependent on its information technology infrastructure platform and, in particular, its data warehouse, which is essential for the Group's evaluation of debt portfolios and includes detailed data on collection performance and cash flow from acquisitions dating from the year 2000 and onwards (the **Data Warehouse**). This subjects the Group to inherent costs and risks associated with maintaining, upgrading, replacing and changing these systems, including defects in the Group's information technology, substantial capital expenditures and demands on management time. Further, the Group is exposed to risks relating to outages and disruptions in its information technology infrastructure platform, collection systems or Data Warehouse, which may be caused by, among other things, security breaches or cyber-attacks in the Group's information technology infrastructure platform, collection systems or Data Warehouse, or any temporary or permanent failure in these systems. If such events lead to extensive outages, this could have an adverse effect on the Group's business and results of operations.

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

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

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

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

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

The demand in the Group's industry for personnel with the relevant capabilities and experience is high, which leads to a high personnel turnover. At 31 December 2021, the Group had 1,733 employees of which 319 were recruited in 2021, and the staff turnover was 25.5 per cent. At the same date in 2022, the Group had 1,464 employees (the decrease from 2021 was mainly due to the Group's divestment of its UK operations). The intense competition and high personnel turnover could lead to the Group not being able to attract and retain employees with the relevant skills for its operations. The competition may also lead to increased remuneration levels, which would adversely affect the Group's results of operations. In the financial year 2022, the total personnel expenses and remuneration (including pension expenses and social fees) amounted to SEK 766 million. Based on the conditions prevailing on 31 December 2022, an increase of

1 per cent. in the Group's total personnel expenses and remuneration (including pension expenses and social fees) would adversely affect the Group's operating profit by SEK 7.7 million. Conversely, if the Group were to offer excessively low remuneration levels, this might lead to employees choosing to terminate their employments, which would adversely affect the Group's competitiveness and business. There is a risk that the Group will not be able to attract and retain qualified personnel in the future, which could adversely affect the Group's ability to successfully acquire portfolios or collect on claims and to manage and expand the Group's business, which in turn would risk having an adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to reputational risk.

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

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

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

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

The Group employs a business model that is designed to deliver operational efficiency based on local market conditions and international best practices. The Group complements its in-house collections with carefully selected third-party collection providers. Third-party debt collectors are subject to more limited supervision by the Group than its own local operations. Any failure by these third parties to adequately perform such

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

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

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

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

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

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

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

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

Legal and regulatory risks

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

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

The Issuer is further subject to regulatory framework which requires it to take measures to counteract money laundering and terrorist financing within its operations. Criminal activity within the banking sector, in which the Group operates, has been increasingly uncovered in recent years with intense media coverage. There is a risk that the Issuer's procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Issuer complies with the regulatory framework. This may result from, for example, insufficient procedures, internal control functions or guidelines, or errors by employees, suppliers or counterparties.

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

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

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

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality: common equity tier 1 (**CET1**) capital, additional tier 1 capital and tier 2 capital. In addition to the minimum capital requirements, CRD provides for further capital requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Issuer as determined by the SFSA. The countercyclical buffer rate is a capital requirement which varies over time, and between member states of the European Union, and is to be used to support credit supply in adverse market conditions. On 29 September 2022, the countercyclical buffer rate in Sweden was increased from 0 per cent. to 1 per cent and on 22 June 2022, the SFSA communicated that the buffer rate will be increased to 2 per cent on 22 June 2023. In calculating the Group's and the Issuer's countercyclical buffer, the Group considers the respective countercyclical buffers of all member states of the European Union in which the Group has exposures, including, for example, (in addition to Sweden) France and Poland, and applies a weighted average of such countercyclical buffers (the **Weighted Countercyclical Buffer**). The Weighted Countercyclical Buffer applied as of 31 March 2023 was 0.23 per cent. for the Group and 0.22 per cent. in relation to the Issuer.

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

not be designated a systemically important institution or subject to systemic risk buffer requirements in the future.

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

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

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

The Group's business, as well as external conditions, is constantly evolving. As a result, and to ensure compliance with the changing regulatory landscape, the Group may need to increase its own funds in the

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

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

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

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

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

In early June 2021, the Swedish legislator approved new legislation attributable to the Swedish implementation of BRRD II. The new legislation entered into force on 1 July 2021, including, *inter alia*, amendments to the applicable minimum MREL Requirement. Amongst other things, the new legislation stipulates that the new MREL Requirement shall be fully complied with from 1 January 2024. This includes a minimum Pillar 1 subordination requirement for systemically important institutions. In December 2021, the Swedish National Debt Office decided on MREL and subordination requirements applicable for systemically

important institutions from 1 January 2024 as well as target levels applicable for systemically important institutions from 1 January 2022. In terms of resolution, the Issuer is not deemed a systemically important institution by the Swedish National Debt Office.

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

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

Investors in Subordinated Notes are subject to the risk that the Subordinated Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the SFSA, respectively). As noted above under the risk factor "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of any Notes.*", the powers provided to the Swedish National Debt Office and the SFSA under the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as the Subordinated Notes) fully absorb losses at the point of non-viability of the issuing firm in order to allow it to continue as a going concern subject to appropriate restructuring. As a result, the BRRD contemplates that resolution authorities (the Swedish National Debt Office) may require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability (which CET1 instruments may also be subject to any subsequent application of the general bail-in tool described above) and before any other bail-in or resolution tool can be used. Measures ultimately adopted in this area may apply to any debt currently in issue, including Subordinated Notes issued under the Programme. Accordingly, in a worst case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

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

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

Due to the Issuer's licence as a "Credit Market Company", it is able to offer corporate and retail deposits to the general public that are covered by the Swedish state-provided deposit guarantee scheme, which guarantees an amount of SEK 1,050,000 (with some exceptions) for each depositor. As such, the Group is required to establish internal processes to handle operational risk related to the deposits, including managing and securing the data systems utilised to host the deposits. Any failure by the Group to comply with these requirements could result in intervention by regulators or the imposition of sanctions, including a decision that the Issuer's deposits shall no longer be covered by the deposit guarantee scheme. The loss of coverage by the deposit guarantee scheme would likely mean that the Group would have to discontinue the offering of deposit savings accounts to the general public, which would adversely affect the Group's liquidity position

and impair the Group's ability to fund its business and potentially also impair or terminate the Group's ability to continue its business as currently conducted.

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

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

The Group is exposed to risks relating to sensitive data.

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

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

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

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

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

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

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

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

The Group is subject to tax-related risks.

The Group conducts operations in multiple European countries and is thus subject to taxation and tax laws and regulations in several jurisdictions. The Group has implemented cross-border arrangements within the Group, for example regarding allocation of certain functions such as preparation and analysis of investment decisions, acquisition of debt portfolios and collection activities relating to debt portfolios between companies in the Group, which expose the Group to tax risks relating to among other things transfer pricing. The Group has also adopted, and regularly updates, Group transfer pricing policies setting out the framework

for how the Group prices activities carried out within the Group. The Group has identified potential tax exposures in various jurisdictions in which the Group operates relating primarily to VAT, transfer pricing, permanent establishment and corporate income tax. Certain identified exposures concern significant amounts individually and the aggregate amount of the risks combined is material.

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

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

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

Financial risks

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

The Group relies on its deposit funding base to fund the vast majority of its debt acquisitions. As at 31 December 2022, the Group's deposits from the public amounted to SEK 18.6 billion (representing 74 per cent. of the Group's total interest bearing debt), of which SEK 6.6 billion related to deposits in Sweden, SEK 10.8 billion related to German household deposits denominated in EUR and SEK 1 billion related to its deposit programme in the United Kingdom denominated in GBP. Deposits are subject to the risk of large withdrawals and/or redemptions occurring at short notice and thus that there may be a mismatch between the Group's need for funding of the Group's liabilities and the Group's access to liquidity. The outflow of deposits is subject to fluctuation due to a number of factors, many of which are outside of the Group's control, such as general economic conditions, including a substantial increase in insolvencies, unemployment and inflation rates. A perceived increase in the risk of the Group's operations by its depositors may also lead to outflows of deposits. Should there be a substantial outflow of deposits, the Group may be unable to generate sufficient liquidity from its existing portfolios, which would adversely affect the Group's ability to acquire additional portfolios as they become available and thus risk having a negative effect on the Group's business, results of operations and financial condition. In addition to the above-mentioned risk relating to the Group's reliance on its deposit funding base, there is a risk that the Group in the future will not have access to alternative sources of liquidity, such as the equity and/or debt capital markets or bank financing. At the maturity of the Group's existing financing, the Group may be unable, should it wish, to successfully refinance the indebtedness or only succeed in borrowing at substantially increased cost, due to changed market conditions, a perceived increase in the risk of the Group's operations by investors in the Issuer's bonds or by other potential lenders, or any other relevant factors. Further, a downgrade of the Issuer's credit rating could, amongst other things, increase the Group's borrowing costs, adversely affect its liquidity position, limit its access to the capital markets, undermine confidence in (and

the competitive position of) the Group and/or limit the range of counterparties willing to enter into transactions with the Group. The nominal amount of the Group's funding sources, in particular long-term financing, may be limited during a liquidity squeeze in the financial markets. Turbulence in the global financial markets and economy may also adversely affect the Group's ability to refinance, which may result in a higher risk profile. An inability to access alternative sources of liquidity and to refinance the Group's existing debt as it falls due and payable without incurring substantially increased cost, may have a material negative effect on the Group's business, results of operations and financial condition.

Negative publicity and other events relating to the Group's reputation could also affect the Group's access to funding. For example, such events could affect the relationships with the Group's current or potential deposit customers, which could lead to withdrawals from the Group's deposit accounts and decreased levels of new deposits from the public, and adversely affect the Group's relationships with investors in the equity and/or debt capital markets, which could lead to decreased availability of capital markets originated equity and/or debt.

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

The Group is exposed to market and liquidity risks.

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

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

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

The Group is subject to the risk that its net interest income is negatively impacted as a result of increases in prevailing interest rate levels or due to a mismatch between the interest rates paid to borrow funds and the income generated from acquired portfolios. The net effect of changes to the Group's net interest income depends on the relative levels of assets and liabilities that are affected by the changes in interest rates. On the liabilities side, the Group's interest expenses are affected by interest rate variations on deposits from the general public and could, in the future, be affected by interest rate variations on any loans with a floating interest rate. An interest rate increase would likely have a negative impact on the Group's profit to the extent that the increase in market rates would affect interest rates and interest expenses on loans and deposits from the general public, at the same time as income from the Group's acquired portfolios could increase to a lesser extent. The Group is particularly exposed to interest rate changes due to the long-term cash flow profile of its assets, which is primarily linked to the income generated from acquired portfolios, relative to the short-term

cash flow profile of the Group's liabilities. Because of such duration mismatch between assets and liabilities, the effects of interest rate changes will not be naturally fully offset against each other.

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

The Group is exposed to the risk of currency fluctuations.

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

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

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

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the market value of Fixed Reset Notes.

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the Reset Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate**). The Subsequent Reset Rate for any Reset Period could be less than the Initial Interest Rate or the Subsequent Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Reset Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

The qualification of the Senior Non-Preferred Notes as “eligible liabilities” is subject to uncertainty.

The Senior Non-Preferred Notes are intended to be MREL Eligible Liabilities (as defined in Condition 3.5) which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations (as defined in Condition 3.5) then applicable) of the Issuer and the Group. However, the Issuer cannot provide any assurance that such Senior Non-Preferred Notes will be (or thereafter remain) MREL Eligible Liabilities.

Upon the occurrence of a MREL Disqualification Event, the Issuer may, at its option but subject to Condition 7.14, (i) where “Redemption upon occurrence of a MREL Disqualification Event” is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), redeem all (but not some only) of such Series of Senior Non-Preferred Notes and (ii) where “Substitution or variation” is specified to be applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), either substitute all (but not some only) of such Series of

Senior Non-Preferred Notes for, or vary the terms of such Series of Senior Non-Preferred Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become Senior Non-Preferred Qualifying Securities. See “*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return*” and “*Substitution or Variation of Senior Non-Preferred Notes or Subordinated Notes*” for a description of certain risks related to an early redemption of Notes or the substitution or variation, as the case may be, of Notes.

Senior Non-Preferred Notes will rank junior to the Issuer’s unsubordinated creditors and, if the European Commission’s CMDI Proposal is adopted, the Senior Preferred Notes would rank junior to all depositors of the Issuer.

The Senior Non-Preferred Notes will constitute direct, unconditional and unsecured obligations of the Issuer. As provided under Condition 3.2(b) of the Terms and Conditions of the Notes, the rights of the holders of any Senior Non-Preferred Notes shall rank (i) junior in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities; (ii) at least *pari passu* with all other Senior Non-Preferred Liabilities; and (iii) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities, subject, in all cases, to mandatory provisions of Swedish law. If, on a liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the holders of Senior Non-Preferred Notes will lose their entire investment in the Senior Non-Preferred Notes. If there are sufficient assets to enable the Issuer to pay the claims of more senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Senior Non-Preferred Notes and all other claims that rank *pari passu* with the Senior Non-Preferred Notes, the holders of the Senior Non-Preferred Notes will lose some (which may be substantially all) of their investment in the Senior Non-Preferred Notes.

Although Senior Non-Preferred Notes may pay a higher rate of interest than comparable Notes which benefit from a preferential ranking, there is a significant risk that an investor in Senior Non-Preferred Notes will lose all or some of its investment in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer.

The Issuer may also issue Senior Preferred Notes. Holders of Senior Preferred Notes currently rank *pari passu* with depositors of the Issuer (other than in respect of preferred and covered deposits). On 18 April 2023, the European Commission published a proposal to adjust and further strengthen the EU’s existing bank crisis management and deposit insurance (CMDI) framework (the **CMDI Proposal**). If implemented as proposed, one element of the CMDI Proposal would mean that Senior Preferred Notes will no longer rank *pari passu* with any deposits of the Issuer; instead, the Senior Preferred Notes would rank junior in right of payment to the claims of all depositors. Although 99.98 per cent. of the Issuer’s deposits were covered deposits as at 31 March 2023, the CMDI Proposal presents an increased risk of an investor in Senior Preferred Notes losing all or some of their investment. The CMDI Proposal, if implemented, may also lead to a rating downgrade for Senior Preferred Notes. See “*Risks related to the market generally – Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*” for further information on credit ratings.

The Issuer’s obligations under Subordinated Notes are subordinated.

As described under Condition 3.3 of the Terms and Conditions of the Notes, the rights of a holder of Notes in respect of any Subordinated Notes shall, in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer. If, on a liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*), the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the holders of Subordinated Notes will lose their entire investment in the Subordinated Notes. If there

are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable the Issuer to pay claims arising under its obligations in respect of the Subordinated Notes and all other claims that rank *pari passu* with the Subordinated Notes, the holders of the Subordinated Notes will lose some (which may be substantially all) of their investment in the Subordinated Notes.

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor in Subordinated Notes will lose all or some of its investment in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer.

Events of Default in relation to Senior Non-Preferred Notes, Subordinated Notes and certain Senior Preferred Notes.

The only Events of Default in relation to Senior Non-Preferred Notes, Subordinated Notes and (where “Senior Preferred Notes Restricted Events of Default” is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement) Senior Preferred Notes are set out in Condition 10.2 of the Terms and Conditions of the Notes. If an Event of Default in relation to a Senior Non-Preferred Note, a Subordinated Note or (where “Senior Preferred Notes Restricted Events of Default” is specified as applicable in the applicable Final Terms or, in the case of Exempt Notes, Pricing Supplement) a Senior Preferred Note has occurred under Condition 10.2, the Trustee may institute such steps, including the obtaining of a judgement against the Issuer for any amount due in respect of the relevant Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*) but not otherwise and, consequently, if any Notes become due and payable pursuant to Condition 10.2, the Issuer shall, except (in the case of Senior Non-Preferred Notes or Subordinated Notes only) with the prior consent of the Resolution Authority (in the case of Senior Non-Preferred Notes) or the SFSA (in the case of Subordinated Notes) (in each case if such consent is required), only be required to make such payment after it has been declared bankrupt (Sw: *konkurs*) or put into liquidation (Sw: *likvidation*).

No limitation on issuing debt.

Save as set out in Condition 4 of the terms and conditions of the Notes (for so long as such undertakings and covenants are applicable), there is no restriction under the terms and conditions of the Notes on the amount of debt which the Issuer may issue which ranks senior to the Senior Non-Preferred Notes or the Subordinated Notes or on the amount of securities which the Issuer may issue which ranks senior to or *pari passu* with the Senior Non-Preferred Notes or the Subordinated Notes. As a result this may reduce the amount recoverable by holders of Senior Non-Preferred Notes or Subordinated Notes on the bankruptcy or any liquidation of the Issuer.

Early Redemption of Senior Non-Preferred Notes and Subordinated Notes.

Senior Non-Preferred Notes and Subordinated Notes may contain provisions allowing the Issuer to call them after a minimum period as specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) (this would be expected to be at least five years in the case of Subordinated Notes), or even earlier than such specified date (and at any time) upon the occurrence of a Tax Event (as defined in Condition 7.2(ii) or, in the case of Senior Non-Preferred Notes only, a MREL Disqualification Event (as defined in Condition 7.13) or, in the case of Subordinated Notes only, a Capital Event. If the Issuer considers it favourable to exercise any such call option, the Issuer must first obtain the prior consent of the Resolution Authority (in the case of Senior Non-Preferred Notes) or the SFSA (in the case of Subordinated Notes).

Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the Issuer. In order for such Notes to be redeemed, the Resolution Authority or the SFSA (as applicable) must first, in its discretion, 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. In addition, if the Issuer seeks approval to exercise a call option before five years from

the date of issuance of the Subordinated Notes, the SFSA may only give its approval if certain conditions have been met in relation to changes in tax law or regulatory capital treatment of such Notes. There can be no assurance that the Resolution Authority or the SFSA (as applicable) will permit such a call or that the Issuer will exercise such a call.

Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period until the Maturity Date which could affect the market value of an investment in the Senior Non-Preferred Notes or the Subordinated Notes.

Substitution or Variation of Senior Non-Preferred Notes or Subordinated Notes.

Where the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement) specify that “Substitution or variation” applies, if at any time in the case of Senior Non-Preferred Notes, a MREL Disqualification Event or, in the case of Subordinated Notes, a Capital Event occurs and is continuing or in order to ensure the effectiveness and enforceability of Condition 19.5, the Issuer may, subject to obtaining the prior consent (if such consent is required) of the Resolution Authority (in the case of Senior Non-Preferred Notes) or the SFSA (in the case of Subordinated Notes) (without any requirement for the consent or approval of the relevant Noteholders or, subject as provided in Condition 7.15, the Trustee) either substitute all (but not some only) of the relevant Senior Non-Preferred Notes or the relevant Subordinated Notes for, or vary the terms of the relevant Senior Non-Preferred Notes or the relevant Subordinated Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as further provided in Condition 7.15. The Terms and Conditions of such substituted or varied Senior Non-Preferred Notes or Subordinated Notes, as the case may be, may have terms and conditions that contain one or more provisions that are substantially different from the terms and conditions of the original Senior Non-Preferred Notes or Subordinated Notes, as the case may be, provided that the relevant Senior Non-Preferred Notes or the relevant Subordinated Notes remain or, as appropriate, become, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, in accordance with the Terms and Conditions of the Notes. While the Issuer cannot make changes to the terms of Senior Non-Preferred Notes or Subordinated Notes that, in its reasonable opinion, are materially less favourable to the holders of the relevant Senior Non-Preferred Notes or Subordinated Notes as a class, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied Senior Non-Preferred Notes or Subordinated Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Senior Non-Preferred Notes or the Subordinated Notes prior to such substitution or variation.

Call options may not be exercised.

Senior Non-Preferred Notes and Subordinated Notes may contain provisions allowing the Issuer to call them after a minimum period of, for example, five years. To exercise such a call option the Issuer must obtain the prior consent of the Resolution Authority (in the case of Senior Non-Preferred Notes) or the SFSA (in the case of Subordinated Notes). Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call will be exercised by the Issuer. Even if the Issuer is given prior consent by the Resolution Authority or the SFSA (as applicable), any decision by the Issuer as to whether it will exercise calls in respect of such Notes will be taken at the absolute discretion of the Issuer with regard to factors such as the economic impact of exercising such calls, regulatory capital requirements and prevailing market conditions. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

No right of set-off, netting or counterclaim.

Subject as provided in the Terms and Conditions of the Notes, in respect of (i) Senior Non-Preferred Notes and Subordinated Notes and (ii) any Senior Preferred Notes where “Waiver of Set-Off” is specified as applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement), no Noteholder shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under the Terms and Conditions of the Notes, if any are payable) held by such Noteholder, and each Noteholder shall, by virtue of its holding of any Note, be deemed, to the extent permitted under applicable law, to have waived all such rights of set-off, netting or counterclaim.

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, such Notes is discharged by set-off, netting or counterclaim, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

Limitation on gross-up obligation under the Senior Non-Preferred Notes, the Subordinated Notes and certain Senior Preferred Notes.

The Issuer’s obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Senior Non-Preferred Notes, the Subordinated Notes and (if “Senior Preferred Notes Restricted Gross Up” is specified as being applicable in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement)) the Senior Preferred Notes applies only to payments of interest due and paid under the Senior Non-Preferred Notes, the Subordinated Notes or any such Senior Preferred Notes and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Senior Non-Preferred Notes, the Subordinated Notes or any such Senior Preferred Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Senior Non-Preferred Notes, the Subordinated Notes or any such Senior Preferred Notes, as the case may be, holders of such Notes may receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected. Holders of Senior Non-Preferred Notes, Subordinated Notes or any such Senior Preferred Notes should note that “principal” for these purposes may include any payments of premium.

Benchmarks Regulation.

Interest rates and indices which are deemed to be "benchmarks" (such as, in the case of Floating Rate Notes, a Reference Rate or, in the case of Fixed Reset Notes, a Floating Leg Reference Rate), are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use

in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the **FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors, and the additional factors described under "*Discontinuation of benchmark rates*" below, may have the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to the "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark" or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Discontinuation of benchmark rates.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

It is not possible to predict whether, and to what extent, EURIBOR and other benchmark rates (including STIBOR and NIBOR) will continue to be supported going forwards. This may cause any such benchmark rate to perform differently than it has done in the past, and may have other consequences which cannot be predicted.

The Terms and Conditions of Notes which are (i) Fixed Reset Notes or (ii) Floating Rate Notes (any such Notes, **Relevant Notes**) provide for certain fallback arrangements in the event that a published benchmark rate, such as EURIBOR, STIBOR or NIBOR, (including any page on which such benchmark may be published (or any successor service)), becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs in relation to any such benchmark rate. Such fallback arrangements will include the possibility that the relevant rate of interest (or, as applicable, the relevant component part thereof) could be set or, as the case may be, determined by reference to a Successor Rate or an Alternative Rate (each as defined in the Terms and Conditions) determined by an Independent Adviser (as defined in the Terms and Conditions), that, if a Successor Rate or an Alternative Rate (as the case may be) is so determined, an Adjustment Spread (as defined in the Terms and Conditions) shall also be determined by the relevant Independent Adviser and that amendments to the Terms and Conditions and/or the Trust Deed may be made (without the consent of the Noteholders or Couponholders) to ensure the proper operation of the Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread. Investors should note that

the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread in the circumstances described in the Terms and Conditions, and in any event an Adjustment Spread may not be effective in reducing or eliminating any economic prejudice to investors arising out of the replacement of the original benchmark rate with the Successor Rate or the Alternative Rate (as the case may be). Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder or Couponholder, any such adjustment will be favourable to each Noteholder or Couponholder.

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

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

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

In addition, potential investors should also note that:

- (i) no Successor Rate or Alternative Rate (as applicable) will be adopted, and no other amendments to the terms of Relevant Notes will be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Relevant Notes as (A) in the case of Senior Non-Preferred Notes, MREL Eligible Liabilities; or (B) in the case of Subordinated Notes, Tier 2 capital of the Issuer; and/or
- (ii) in the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate (as applicable) will be adopted, no Adjustment Spread will be applied and no other amendments to the Terms and Conditions or the Trust Deed will be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating the next Interest Payment Date or Reset Date, as applicable, as the effective maturity of the Notes, rather than the relevant Maturity Date.

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

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally.

The Notes may be subject to loss absorption pursuant to the BRRD as implemented in Sweden.

Pursuant to the BRRD as implemented in Sweden, Notes may be written down or converted to CET1 instruments through the application of (in the case of Senior Preferred Notes, Senior Non-Preferred or Subordinated Notes) the general bail-in tool or (in the case of Subordinated Notes) the non-viability loss absorption powers, or the rights of Noteholders may otherwise be modified or affected if the relevant resolution authorities exercise any other powers under such regime to the Issuer and/or any Notes. See "*Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of any Notes*" and "*Loss absorption at the point of non-viability of the Issuer*". Noteholders will likely lose all or some (which may be substantially all) of their investment in Notes in the event that such powers are applied in respect of the Issuer and/or any Notes, and any indication or expectation that such powers may be used in respect of the Issuer or any Notes will likely have a material adverse effect on the market price of Notes and may reduce liquidity and/or increase volatility in any market for the Notes.

By acquiring any Note, each Noteholder shall be deemed to acknowledge, accept and consent to the application or exercise of such Swedish statutory loss absorption powers in respect of their Notes or any liability thereunder, as provided in Condition 19.5, and shall be bound by the effect of any such application or exercise.

In addition, the CMDI Proposal looks to amend the BRRD, including, among other things, the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of EU Member States would be required by the BRRD to extend the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits. The implementation of the CMDI Proposal is subject to further legislative procedures but, if it is implemented in its current form, this would mean that both Senior Preferred Notes and Senior Non-Preferred Notes will rank junior to the claims of all depositors, including deposits of large corporates and other deposits that are currently excluded from the above privileged claims. Any such general depositor preference would also impact upon any application of the general bail-in tool, as such application is to be carried out in the order of the hierarchy of claims in normal insolvency proceedings, which may have the corresponding impact of increasing the likelihood of any write-down or conversion of the Senior Preferred Notes and Senior Non-Preferred Notes. See "*Risks related to the structure of a particular issue of Notes – Senior Non-Preferred Notes will rank junior to the Issuer's unsubordinated creditors and, if the European Commission's CMDI Proposal is adopted, the Senior Preferred Notes would rank junior to all depositors of the Issuer*" for further information on the CMDI Proposal.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15. In addition, the conditions of the Notes provide that the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments (as

defined in the conditions) in the circumstances and as otherwise set out in Condition 5.4 without the consent or approval of the Noteholder or Couponholders.

To be bound in any way as described above could materially adversely affect the interests of Noteholders, including those Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically and those Noteholders who voted in a manner contrary to the majority.

A Restructuring Plan implemented pursuant to Part 26A of the Companies Act 2006 may modify or disapply certain terms of the Notes without the consent of the Noteholders.

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the “relevant alternative” (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members regardless of whether they approved it and may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes where it has the effect of modifying or disapplying certain terms of the Notes.

Certain covenants may be suspended based on the credit rating of the Issuer and/or any Senior Preferred Notes.

The Terms and Conditions of the Senior Preferred Notes contain certain undertakings and covenants by the Issuer, as described in Condition 4.

However, the Terms and Conditions also provide that, if at any time the Issuer and any Senior Preferred Notes are assigned an investment grade rating by any Rating Agency (as defined in Condition 7.7) (being, in relation to Moody's, a rating of Baa3 or better, in relation to S&P Global Ratings Europe Limited, a rating of BBB- or better, or a comparable rating from any other Rating Agency (as defined in Condition 7.7)) and no Event of Default (as defined in Condition 10.1) has occurred and is continuing, then with effect on and from the next day and continuing until such time as the Issuer and/or any Senior Preferred Notes cease to have an investment grade rating from a Rating Agency, the Issuer will not be subject to the undertakings and covenants contained in Condition 4 and such provisions shall cease to be binding on the Issuer.

As at the date of this Offering Circular, the Issuer has been rated Baa3 in respect of long-term debt by Moody's and the Programme has been rated (P)Baa3 in respect of long-term senior unsecured preferred debt. Accordingly, the undertakings and covenants described above may be subject to suspension with effect on and from the issue date of any Senior Preferred Notes.

For so long as the undertakings and covenants contained in Condition 4 are suspended, the Issuer and other members of the Group would, *inter alia*, be able to incur additional financial indebtedness, make distributions and provide security for financial indebtedness, which may conflict with the interests of holders of the Notes.

The value of the Notes could be adversely affected by a change in law or administrative practice.

The conditions of the Notes are based on English law (save that the provisions of the Notes under Conditions 3.1, 3.2, 3.3 and 3.4 of the Terms and Conditions of the Notes are governed by the laws of Sweden) in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or Swedish law, as the case may be, or administrative practice after the

date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Enforceability of judgments.

The Issuer has submitted to the jurisdiction of the courts of England in the conditions of the Notes. Absent any agreement, treaty or other instrument on mutual recognition and enforcement of judgments applicable in relation to the Notes between the UK and Sweden as at the date of this Offering Circular, a final judgment in civil or commercial matters obtained in the courts of England, against the Issuer, which is enforceable in the UK, will, in principle, neither be recognised nor enforceable in Sweden and the Noteholders would be required to re-litigate in the courts of Sweden. However, if any Noteholder brings a new action in a competent court in Sweden, the final judgment rendered in an English court may be submitted to the Swedish court, but will only be regarded as evidence of the outcome of the dispute to which it relates, and the Swedish court has full discretion to rehear the dispute *ab initio*.

Risks related to the market generally

Set out below is a description of material market risks, including risks related to the liquidity on the secondary market, exchange rates and exchange control, interest rates and credit ratings.

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes.

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, exchange rate or other market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors, or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the

secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

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

If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Credit ratings may also change due to changes in law and regulation; see “*Risks related to the structure of a particular issue of Notes – Senior Non-Preferred Notes will rank junior to the Issuer’s unsecured creditors and, if the European Commission’s CMDI Proposal is adopted, the Senior Preferred Notes would rank junior to all depositors of the Issuer*”. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating

agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2021 of the Issuer (which can be viewed at <https://vp201.alertir.com/afw/files/press/hoist/202203151155-1.pdf>);
- (b) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2022 of the Issuer (which can be viewed at <https://vp201.alertir.com/afw/files/press/hoist/202303290592-1.pdf>); and
- (c) the unaudited interim consolidated financial statements of the Issuer for the three months ended 31 March 2023 (which can be viewed at <https://vp201.alertir.com/afw/files/press/hoist/202305030898-1.pdf>); and
- (d) the Terms and Conditions of the Notes contained in the Offering Circulars dated:
 - (i) 5 August 2020, pages 80 to 133 (inclusive) (which can be viewed at https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_0b29ae73-07e2-4dc5-899d-58f3261eed79.PDF);
 - (ii) 1 July 2021, pages 83 to 137 (inclusive) (which can be viewed at <https://www.hoistfinance.com/globalassets/downloads/hoistfinance.com/debt-investors/debt-programs/hoist-2021---offering-circular-01.07.2021.pdf>); and
 - (iii) 22 June 2022, pages 87 to 142 (inclusive) (which can be viewed at <https://www.hoistfinance.com/globalassets/downloads/hoist-2022---offering-circular-22.06.2022.pdf>),

each prepared in connection with the Programme.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which may affect the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Bearer Global Note**) and, together with a Temporary Bearer Global Note, each a **Bearer Global Note** which, in either case, will:

- (a) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Where the Bearer Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other

amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note (if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a **Registered Global Note**).

Registered Global Notes will be deposited with a common depository or, if the Registered Global Notes are to be held under the new safe-keeping structure (the **NSS**), a common safekeeper, as the case may be for Euroclear and Clearstream, Luxembourg, and registered in the name of the nominee for the common depository of, Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Where the Registered Global Notes issued in respect of any Tranche is intended to be held under the **NSS**, the applicable Final Terms will indicate whether or not such Registered Global Notes are intended to be held

in a manner which would allow Eurosystem eligibility. Any indication that the Registered Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for a Registered Global Note held under the NSS will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within a reasonable period, or (ii) is unable for any reason to do so and the failure or inability shall be continuing.

The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, other than where such Notes are Exempt Notes, a supplement to this Offering Circular or a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97][the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]²

[MiFID II product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment

¹ Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

² Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (UK MiFIR); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the SFA) - [Insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].³

[Date]

HOIST FINANCE AB (publ)

Legal entity identifier (LEI): 549300NPK3FB2BEL4D08

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 22 June 2023 which [as supplemented by the supplement[s] to it dated [date] [and [date]], constitute[s] a base prospectus for the purposes of [the Prospectus Regulation][Regulation (EU) 2017/1129 (the **Prospectus Regulation**)] (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at <https://live.euronext.com/>.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [5 August 2020]/[1 July 2021]/[22 June 2022] which are incorporated by reference in the Offering Circular dated 22 June 2023. This document constitutes the Final Terms of the Notes described herein for the purposes of [the Prospectus Regulation][Regulation (EU) 2017/1129 (the **Prospectus Regulation**)] and must be read in conjunction with the Offering Circular dated 22 June 2023 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**), including the Conditions incorporated by

³ Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

reference in the Offering Circular, in order to obtain all the relevant information. The Offering Circular has been published on the website of Euronext Dublin at <https://live.euronext.com/>.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1. Issuer: Hoist Finance AB (publ)
2. (a) Series Number: []
(b) Tranche Number: []
(c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [*date*]][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(a) Series: []
(b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]] (if applicable)
6. (a) Specified Denominations: []

(N.B. Notes must have a minimum denomination of €100,000 (or equivalent))

(Note – where Bearer Note multiple denominations above [€]100,000 or equivalent are being used the following sample wording should be followed:

"[€]100,000 and integral multiples of [€]1,000 in excess thereof up to and including [€]199,000. No Notes in definitive form will be issued with a denomination above [€]199,000.")

- (b) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): []

(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in [or nearest to] [specify month and year]*
9. Interest Basis: [[] per cent. Fixed Rate]
[Fixed Reset Notes]
[[[] month [EURIBOR/STIBOR/NIBOR]] +/-
[] per cent. Floating Rate]
[Zero coupon]
(see paragraph [14]/[15]/[16]/[17] below)
10. Redemption Basis: *Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount*
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 16 below and identify there][Not Applicable]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[Issuer Residual Call]
[Make-Whole Redemption by the Issuer]
[Change of Control Put]
[(see paragraph [19]/[20]/[21]/[22]/[23] below)]
[Not Applicable]
13. (a) Status of the Notes: [Senior Preferred Notes/ Senior Non-Preferred Notes/ Subordinated Notes]
- (b) Date Board approval for issuance of Notes obtained: []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[] in each year/[]] up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
15. Fixed Reset Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Initial Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
- (b) First Margin: [] per cent. per annum
- (c) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
- (d) Fixed Coupon Amount to (but excluding) the First Reset Date: [[] per Calculation Amount/Not Applicable]
- (e) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (f) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (g) Party responsible for calculating the First Reset Rate and any Subsequent Reset Rate: [[Principal Paying Agent]/[]] (the **Calculation Agent**)
- (h) Determination Date(s): [[] in each year][Not Applicable]

- (i) First Reset Date: []
- (j) Second Reset Date: []/[Not Applicable]
- (k) Subsequent Reset Date(s): [] [and []]
- (l) Reset Margin: [+/-][] per cent. per annum
- (m) Relevant Screen Page: []
- (n) Floating Leg Reference Rate: []
- (o) Floating Leg Screen Page: []
- (p) Initial Mid-Swap Rate: [] per cent. per annum (quoted on [an annual/a semi-annual] basis)

16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Party responsible for calculating the Rate of Interest and Interest Amount: [[Principal Paying Agent]/[]] (the **Calculation Agent**)
- (e) Screen Rate Determination:
 - Reference Rate: [] month [EURIBOR/STIBOR/NIBOR]
 - Interest Determination Date(s): []
(The second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR and the second Oslo business day prior to the start of each Interest Period if NIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a

composite rate or amend the fallback provisions appropriately)

- (f) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (g) Margin(s): [+/-] [] per cent. per annum
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
30E/360 (ISDA)]

17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition 7.2, Condition 7.12 and Condition 7.13: Minimum period: [30] days
Maximum period: [60] days

19. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [[] per Calculation Amount]
- (c) If redeemable in part: [Applicable/Not Applicable, as the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []

- (d) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)
20. Make-Whole Redemption by the Issuer: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Make-Whole Redemption Date(s): []
- (b) Make-Whole Redemption Margin: [[] basis points/Not Applicable]
- (c) Reference Bond: [CA Selected Bond/[]]
- (d) Quotation Time: [[5.00 p.m. [Brussels/London/[]]] time/Not Applicable]
- (e) Reference Rate Determination Date: The [] Business Day preceding the relevant Make-Whole Redemption Date
- (f) If redeemable in part: [Not Applicable, as the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (g) Notice periods: Minimum period: [30] days
Maximum period: [60] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)
21. Issuer Residual Call: [Applicable/Not Applicable]
(It is anticipated that this option will only be stated to be "Applicable" in the case of Senior Preferred Notes unless otherwise agreed. If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Residual Call Early Redemption Amount: [] per Calculation Amount
- (b) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)
22. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)
23. Change of Control Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)
- Change of Control Redemption Amount: [] per Calculation Amount
24. Redemption upon occurrence of a MREL Disqualification Event: [Applicable/Not Applicable]
(N.B. Only relevant for Senior Non-Preferred Notes)
25. Final Redemption Amount: [] per Calculation Amount
26. Early Redemption Amount payable on redemption for taxation reasons (including due to the occurrence of a Tax Event), a Capital Event, a MREL Disqualification Event or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
- (a) Form: [Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
- [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Bearer Global Note exchangeable for Definitive Notes only upon an Exchange Event]
- [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005⁴]*
- (N.B. The option for an issue of Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")*
- [Registered Notes:
- Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
- (b) New Global Note: [Yes][No]
28. Additional provisions applicable to Senior Preferred Notes: [Applicable/Not Applicable]
- (N.B. Only relevant for Senior Preferred Notes)*
- (a) Waiver of Set-Off: [Applicable/Not Applicable]
- (b) Senior Preferred Notes Restricted Events of Default: [Applicable/Not Applicable]
- (c) Senior Preferred Notes Restricted Gross Up: [Applicable/Not Applicable]

⁴ Include for Notes that are to be offered in Belgium.

29. Substitution or variation: [Applicable/Not Applicable]
(N.B. Only relevant for Senior Non-Preferred Notes or Subordinated Notes)
30. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(c) relates)
31. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION]

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Hoist Finance AB (publ):

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of Euronext Dublin and admitted to listing on the official list of Euronext Dublin with effect from [].

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings:

[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [insert relevant fee disclosure]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*]

(When adding any other description, consideration should be given as to whether such matters

described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 23 of the Prospectus Regulation.)

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer: [See "Use of Proceeds" in the Offering Circular/Give details]

(See "Use of Proceeds" wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details)

(ii) Estimated net proceeds: []

5. YIELD (Fixed Rate Notes only)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [[[]], as updated, as set out on][See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[[]], as updated, as set out on][See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): []

(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee

of one of the ICSDs acting as common safekeeper] [*include this text for Registered Notes which are to be held under the NSS*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- | | | |
|-------|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/ <i>give name</i>] |
| (iv) | If non-syndicated, name of relevant Dealer: | [Not Applicable/ <i>give name</i>] |
| (v) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]

<i>(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)</i> |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]

<i>(If the Notes clearly do not constitute "packaged"</i> |

products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

- (viii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97][the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]²

[MiFID II product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[**'s/s'**] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[**'s/s'**] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment

¹ Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

² Legend to be included on front of the Pricing Supplement if the Notes potentially constitute “packaged” products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (the SFA) - [Insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].³

[Date]

HOIST FINANCE AB (publ)

Legal entity identifier (LEI): 549300NPK3FB2BEL4D08

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €1,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either Article 3 of [Regulation (EU) 2017/1129 (the **Prospectus Regulation**)] [the Prospectus Regulation] or section 85 of the [Financial Services and Markets Act 2000 (the **FSMA**)] [FSMA] or to supplement a prospectus pursuant to either Article 23 of the Prospectus Regulation or Article 23 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018][EUWA] (the **UK Prospectus Regulation**), in each case, in relation to such offer.]⁴

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 22 June 2023 [as supplemented by the supplement[s] dated [date[s]]] (the **Offering Circular**). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. Copies of the Offering Circular may be obtained during normal business hours, free of charge, from the registered office of the Issuer at P.O. Box 7848, 103 99 Stockholm, Sweden. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [original date] [and the supplement dated [date]]] which are incorporated by reference in the Offering Circular]⁵.

³ Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

⁴ Include relevant legend wording here for each of the EEA and UK if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).

⁵ Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1. Issuer: Hoist Finance AB (publ)
2. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 27 below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: []
- (b) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *[Specify date or for Floating Rate Notes - Interest Payment Date falling in [or nearest] to [specify month and year]]*

9. Interest Basis: [[] per cent. Fixed Rate]
 [Fixed Reset Notes]
 [[specify Reference Rate] +/- [] per cent.
 Floating Rate]
 [Zero Coupon]
 [specify other]
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
 [specify other]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis][Not Applicable]
12. Put/Call Options: [Investor Put]
 [Issuer Call]
 [Make-Whole Redemption by the Issuer]
 [Issuer Residual Call]
 [Change of Control Put]
 [(further particulars specified below)]
 [Not Applicable]
13. (a) Status of the Notes: [Senior Preferred Notes/ Senior Non-Preferred Notes/ Subordinated Notes]
- (b) Date Board approval for issuance of Notes obtained: []
 (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
 (Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]

Conditions):

- (e) Day Count Fraction: [30/360/Actual/Actual (ICMA)/specify other]
- (f) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes: [None/Give details]

15. Fixed Reset Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Initial Interest Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on each Interest Payment Date]
- (b) First Margin: [] per cent. per annum
- (c) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]
- (d) Fixed Coupon Amount to (but excluding) the First Reset Date: [[] per Calculation Amount/Not Applicable]
- (e) Broken Amount(s): [[] per Calculation Amount payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (f) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (g) Party responsible for calculating the First Reset Rate and any Subsequent Reset Rate: [[Principal Paying Agent]/[]] (the **Calculation Agent**)
- (h) Determination Date(s): [[] in each year][Not Applicable]
- (i) First Reset Date: []
- (j) Second Reset Date: []/[Not Applicable]
- (k) Subsequent Reset Date(s): [] [and []]
- (l) Reset Margin: [+/-][] per cent. per annum
- (m) Relevant Screen Page: []
- (n) Floating Leg Reference Rate: []

- (o) Floating Leg Screen Page: []
- (p) Initial Mid-Swap Rate: [] per cent. per annum (quoted on [an annual/a semi-annual] basis)
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]] [Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined if different from the Conditions: [Specify]
(Where different interest provisions are specified, consider adjusting or disapplying the Screen Rate Determination provisions in Condition 5.3(b) and including replacement provisions describing the manner in which the Rate of Interest and Interest Amount is to be determined)
- (e) Party responsible for calculating the Rate of Interest and Interest Amount: [[Principal Paying Agent]/[]] (the **Calculation Agent**)
- (f) Screen Rate Determination:
- Reference Rate: [] month [EURIBOR/STIBOR/NIBOR/specify other Reference Rate] *(Either EURIBOR, STIBOR, NIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement.)*
 - Interest Determination Date(s): []
(The second day on which T2 is open prior to the start of each Interest Period if EURIBOR, the second Stockholm business day prior to the start of each Interest Period if STIBOR and the second Oslo business day prior to the start of each Interest Period if NIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters

EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- (g) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA) [Other]
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: []

17. Zero Coupon Note Provisions [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: []
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition 7.2, Condition 7.12 and Condition 7.13: Minimum period: [30] days Maximum period: [60] days
19. Issuer Call: [Applicable/Not Applicable] (*If not applicable, delete the remaining*

subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part: [Not Applicable, as the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)
20. Make-Whole Redemption by the Issuer: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Make-Whole Redemption Date(s): []
- (b) Make-Whole Redemption Margin: [[] basis points/Not Applicable]
- (c) Reference Bond: [CA Selected Bond/[]]
- (d) Quotation Time: [[5.00 p.m. [Brussels/London/[]]] time/Not Applicable]
- (e) Reference Rate Determination Date: The [] Business Day preceding the relevant Make-Whole Redemption Date
- (f) If redeemable in part: [Applicable/Not Applicable, as the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (g) Notice periods: Minimum period: [30] days
Maximum period: [60] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)

21. Issuer Residual Call: [Applicable/Not Applicable]
(It is anticipated that this option will only be stated to be "Applicable" in the case of Senior Preferred Notes unless otherwise agreed. If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Residual Call Early Redemption Amount: [] per Calculation Amount
- (b) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent.)
22. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.)
23. Change of Control Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraph of this paragraph)

- Change of Control Redemption Amount: [] per Calculation Amount
24. Redemption upon occurrence of a MREL Disqualification Event: [Applicable/Not Applicable]
(*N.B. Only relevant for Senior Non-Preferred Notes*)
25. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
26. Early Redemption Amount payable on redemption for taxation reasons (including due to the occurrence of a Tax Event), a Capital Event, a MREL Disqualification Event or on event of default and/or the method of calculating the same (if required): [[] per Calculation Amount/specify other/see Appendix]
(*N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:
- (a) Form: [Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Bearer Global Note exchangeable for Definitive Notes only upon an Exchange Event]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005⁶]

[Registered Notes:

Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg]
- (b) New Global Note: [Yes][No]
28. Additional provisions applicable to Senior Preferred Notes: [Applicable/Not Applicable]
(*N.B. Only relevant for Senior Preferred Notes*)

⁶ Include for Notes that are to be offered in Belgium.

- | | | |
|-----|---|--|
| (a) | Waiver of Set-Off: | [Applicable/Not Applicable] |
| (b) | Senior Preferred Notes Restricted Events of Default: | [Applicable/Not Applicable] |
| (c) | Senior Preferred Notes Restricted Gross Up: | [Applicable/Not Applicable] |
| 29. | Substitution or variation: | [Applicable/Not Applicable]

<i>(N.B. Only relevant for Senior Non-Preferred Notes or Subordinated Notes)</i> |
| 30. | Additional Financial Centre(s): | [Not Applicable/give details]
<i>(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 16(c) relates)</i> |
| 31. | Talons for future Coupons to be attached to Definitive Notes: | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |
| 32. | Other terms or special conditions: | [Not Applicable/give details] |

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. *[[Relevant third party information]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Hoist Finance AB (publ):

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING** [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market – note this must not be an EEA regulated market or the London Stock Exchange’s main market*] with effect from [].]
[Not Applicable]
2. **RATINGS**
Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*].
(*The above disclosure is only required if the ratings of the Notes are different to those stated in the Offering Circular*)
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers named below/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]
4. **OPERATIONAL INFORMATION**
- (i) ISIN: []
- (ii) Common Code: []
- (iii) CFI: [[[], as updated, as set out on][See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[[], as updated, as set out on][See] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant [Not Applicable/give name(s) and number(s)]

identification number(s):

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []
- (viii) [Intended to be held in a manner which would allow Eurosystem eligibility:
- [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes which are to be held under the NSS] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/
- [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

5. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Additional selling restrictions: [Not Applicable/give details]

- (vii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the EEA, “Applicable” should be specified.)*
- (viii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared in the UK, “Applicable” should be specified.)*
- (ix) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)*
- (Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes)*

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Hoist Finance AB (publ) (the **Issuer**) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 22 June 2023 made between the Issuer and Citibank, N.A., London Branch (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 22 June 2023 and made between the Issuer, the Trustee, Citibank N.A., London Branch as issuing and principal paying agent and agent bank (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank Europe PLC as registrar (the **Registrar**, which expression shall include any successor registrar) and the transfer agents named therein (the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Calculation Agent (if any is specified in the applicable Final Terms (as defined below) and which may be the Principal Paying Agent), the Registrar, the Paying Agents and the Transfer Agents are together referred to as the **Agents**.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) or, if this Note is a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the European Economic Area or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), the final terms (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note and may specify other terms and conditions which shall, to the extent so

specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. Any reference in the Conditions to **applicable Final Terms** shall be deemed to include a reference to applicable Pricing Supplement where relevant. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are (i) available for inspection or collection during normal business hours at the principal office for the time being of the Trustee being at 22 June 2023 at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee or any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Paying Agent, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange, trading as Euronext Dublin, the applicable Final Terms will be published on the website of Euronext Dublin (at <https://live.euronext.com/>). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of

one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Fixed Reset Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may also be a Senior Preferred Note, a Senior Non-Preferred Note or a Subordinated Note, as indicated in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.3 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS OF THE NOTES AND SUBORDINATION

The applicable Final Terms will indicate whether the Notes are Senior Preferred Notes, Senior Non-Preferred Notes or Subordinated Notes.

3.1 Status of the Senior Preferred Notes

- (a) This Condition 3.1 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes.
- (b) The Senior Preferred Notes and any relative Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the holder of any Senior Preferred Note in respect of or arising from the Senior Preferred Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank:
 - (i) at least *pari passu* with all other unsecured indebtedness of the Issuer from time to time outstanding; and
 - (ii) senior to any Senior Non-Preferred Liabilities,subject, in all cases, to mandatory provisions of Swedish law.

3.2 Status of the Senior Non-Preferred Notes

- (a) This Condition 3.2 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes.

Senior Non-Preferred Notes are intended to constitute MREL Eligible Liabilities and Senior Non-Preferred Liabilities.
- (b) The Senior Non-Preferred Notes and any relative Coupons constitute direct, unconditional and unsecured obligations of the Issuer with Senior Non-Preferred Ranking and rank *pari passu* without any preference among themselves. The rights of the holder of any Senior Non-Preferred Note in respect of or arising from the Senior Non-Preferred Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) shall, in the event of the voluntary or involuntary liquidation (Sw: *likvidation*) or bankruptcy (Sw: *konkurs*) of the Issuer, rank:
 - (i) at least *pari passu* with all other Senior Non-Preferred Liabilities;
 - (ii) senior to holders of all classes of ordinary shares of the Issuer and any subordinated obligations or other securities of the Issuer (including the Subordinated Notes) which by law rank, or by their terms are expressed to rank, junior to the Senior Non-Preferred Liabilities; and
 - (iii) junior in right of payment to any present or future claims of (A) depositors of the Issuer and (B) other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Liabilities,subject, in all cases, to mandatory provisions of Swedish law.

3.3 Status of the Subordinated Notes

- (a) This Condition 3.3 is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes.
- (b) The Subordinated Notes and any relative Coupons constitute subordinated and unsecured 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 such Subordinated Notes shall rank:
 - (i) *pari passu* without any preference among themselves;
 - (ii) at least *pari passu* with the rights of holders of all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital of the Issuer;
 - (iii) senior to the rights of holders of any subordinated obligation of the Issuer which constitutes an Additional Tier 1 Instrument;
 - (iv) in priority to payments to holders of all classes of share capital (including preference shares (if any)) of the Issuer in their capacity as such holders; and
 - (v) junior in right of payment to any present or future claims of (A) depositors of the Issuer, (B) other unsubordinated creditors of the Issuer, and (C) subordinated creditors of the Issuer whose rights rank or are expressed to rank in priority to the holders of the Subordinated Notes,

subject, in all cases, to mandatory provisions of Swedish law.

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

For the purposes of this Condition 3.3, **Tier 2 Capital** means any instrument or security of the Issuer which is recognised as Tier 2 capital (*supplementärkapital*) (as defined in Part 2 Chapter 4 of the CRR or in any other Applicable Banking Regulations, in each case as amended or replaced) of the Issuer, at the time of its issue, by the SFSA.

3.4 Waiver of set-off

- (a) This Condition 3.4 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes or Subordinated Notes or, in the case of Senior Preferred Notes, where "Waiver of Set-Off" is specified as being applicable, and references to **Notes** in this Condition 3.4 shall be construed accordingly.
- (b) No holder of Notes shall be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes (including any damages awarded for breach of any obligations under these Conditions, if any are payable) held by such Noteholder, and each Noteholder shall, by virtue of its holding of any Note, be deemed, to the extent permitted under applicable law, to have waived all such rights of set-off, netting or counterclaim.

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, netting or counterclaim, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer and accordingly any such discharge shall be deemed not to have taken place.

3.5 Definitions

For the purposes of these Conditions:

Additional Tier 1 Capital means Additional Tier 1 capital as defined in Part 2 Chapter 3 of the CRR or in any other Applicable Banking Regulations, in each case as amended or replaced;

Additional Tier 1 Instrument means (i) any instrument or security of the Issuer which is recognised as Additional Tier 1 Capital of the Issuer, at the time of its issue, by the SFSA, and (ii) any instrument, security or other obligation of the Issuer which ranks, or is expressed to rank, on a voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, *pari passu* with Additional Tier 1 Instruments;

Applicable Banking Regulations means, at any time, the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden including, without limitation to the generality of the foregoing, CRD, and those regulations, requirements, guidelines and policies relating to capital adequacy adopted by the SFSA from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

Applicable MREL Regulations means, at any time, the laws, regulations, requirements, guidelines and policies then in effect in Sweden giving effect to any MREL Requirement or any successor regulations then applicable to the Issuer or the Group, as the case may be, including, without limitation to the generality of the foregoing, CRD and the BRRD (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group, as the case may be);

BRRD means Directive 2014/59/EU of the European Parliament and of the Council on resolution and recovery of credit institutions and investment firms dated 15 May 2014 and published in the Official Journal of the European Union on 12 June 2014 (or, as the case may be, any provision of Swedish law transposing or implementing such Directive), as amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019);

CRD means, as the context requires, any or any combination of the CRD Directive, the CRR and any CRD Implementing Measures;

CRD Directive means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including, without limitation, by Directive 2019/878 of the European Parliament and of the Council of 20 May 2019);

CRD Implementing Measures means any regulatory capital rules or regulations or other requirements, which are applicable to the Issuer or the Group, as the case may be, and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a non-consolidated or consolidated basis) to the extent required by the CRD Directive or the CRR,

including, for the avoidance of doubt, any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

CRR means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms dated 26 June 2013 and published in the Official Journal of the European Union on 27 June 2013, as amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 and by Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020);

Group has the same meaning as provided in Condition 4.8;

MREL Eligible Liabilities means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by the Applicable MREL Regulations) of the Issuer or the Group, as the case may be, under Applicable MREL Regulations;

MREL Requirement means the minimum requirement for own funds and eligible liabilities which is or, as the case may be, will be applicable to the Issuer or the Group, as the case may be;

Senior Non-Preferred Liabilities means all outstanding liabilities of the Issuer, present and future, having Senior Non-Preferred Ranking;

Senior Non-Preferred Ranking means the ranking provided in the second sentence of the first subparagraph of section 18 of the Swedish Rights of Priority Act (*Sw. 18 § 1 st andra meningens förmånsrättslagen (1970:979)*) for claims attributable to such debt instruments as are referred to in chapter 21, section 15, paragraph 3 b of the Swedish Resolution Act (*Sw. 21 kap. 15 § 3 b lagen (2015:1016) om resolution*), as such legislative references may be amended or replaced from time to time;

Resolution Authority means the Swedish National Debt Office or such other authority tasked with matters relating to the qualification of securities of the Issuer or the Group, as the case may be, under the Applicable MREL Regulations; and

SFSA means the Swedish Financial Supervisory Authority (*Finansinspektionen*) and shall include any successor or replacement thereto, or another authority which has the primary responsibility for the prudential oversight and supervision of the Issuer or the Group, as the case may be.

4. GENERAL UNDERTAKINGS

Conditions 4.1 to 4.5 below only apply in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes, and references to **Notes** in Conditions 4.1 to 4.5 and in the corresponding definitions in Condition 4.8, below shall be construed accordingly.

4.1 Compliance

For so long as any of the Notes remains outstanding (as defined in the Trust Deed), and subject to Condition 4.7, the Issuer shall, and shall procure that all other Group Companies, where applicable, obtain, maintain and comply with the terms of any authorisation, approval or licence required for the conduct of their respective businesses at any time, and comply with all applicable laws and regulations, except to the extent that any failure to do so would not have a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole or (b) the Issuer’s ability to perform and comply with its payment obligations under the Notes, the Coupons or the Trust Deed, or (c) the validity or enforceability of the Trust Deed.

4.2 Continuation of business

For so long as any of the Notes remains outstanding, and subject to Condition 4.7, the Issuer will not engage, and will procure that no other Group Company engages, in any business other than a Permitted Business, except to the extent as would not be material to the Group taken as a whole.

4.3 Distributions and other transactions

- (a) For so long as any of the Notes remains outstanding, and subject to Condition 4.7, no Distributions may be made by the Issuer at any time if, immediately following the making of such Distribution and giving effect to the making of such Distribution on a *pro forma* basis, the Group would be in breach of the Incurrence Test or applicable restrictions under the Swedish Companies Act (2005:551) (*Sw. aktiebolagslagen*) as amended from time to time.
- (b) For so long as any of the Notes remains outstanding, and subject to Condition 4.7, no Distributions may be made by a Subsidiary of the Issuer other than to (i) the Issuer or any Group Company which is directly or indirectly wholly owned by the Issuer, or (ii) such Subsidiary's shareholders on a *pro rata* basis.
- (c) Notwithstanding the foregoing provisions of this Condition 4.3, additional dividend distributions may be made by the Issuer if and to the extent necessary to comply with mandatory provisions of the Swedish Companies Act relating to dividend distributions to minority shareholders, provided that in any such case the Issuer shall ensure that any such dividends shall be paid at the lowest level allowed by applicable law.

4.4 Financial Indebtedness

For so long as any of the Notes remains outstanding, and subject to Condition 4.7, the Issuer shall not, and shall procure that none of the other Group Companies shall, incur any Financial Indebtedness other than Financial Indebtedness which constitutes Permitted Debt.

4.5 Negative pledge

For so long as any of the Notes remains outstanding, and subject to Condition 4.7, the Issuer shall not, and shall procure that none of the other Group Companies shall, create any security over any of its (or their) assets, revenues, business or undertaking (present or future) to secure any Financial Indebtedness, provided however that the Issuer and each of the other Group Companies may create any Permitted Security.

4.6 The Trustee

The Trustee is not responsible for monitoring compliance by the Issuer and the other Group Companies with the restrictions and their respective obligations in this Condition 4 and shall not be responsible for any losses suffered by the Noteholders or any other party by reason of any failure to do so or any breach of any such restrictions or obligations by the Issuer or any other Group Company.

4.7 Suspension of covenants

- (a) Subject to Condition 4.7(b) below, with effect on and from the first day (the **Suspension Date**) following the earliest date on which:
 - (i) the Issuer and any Series of Senior Preferred Notes issued under the Programme (for the purposes of this Condition 4.7, **Senior Preferred Notes**) have been assigned an Investment Grade Rating by any Rating Agency (each as defined in Condition 7.7); and

(ii) no Event of Default under Condition 10.1 has occurred and is continuing,

the Issuer will not be subject to the undertakings and covenants contained in the following Conditions and such provisions shall cease to be binding on the Issuer and the other Group Companies:

“—Compliance (Condition 4.1)”;

“—Continuation of Business (Condition 4.2)”;

“—Distributions and other transactions (Condition 4.3)”;

“—Financial Indebtedness (Condition 4.4)”;

“—Negative pledge (Condition 4.5)

(collectively, the “**Suspended Covenants**”);

- (b) In the event that the Issuer is not subject to the Suspended Covenants for any period of time as a result of the application of Condition 4.7(a) and on any subsequent date (the first such date being the **Reversion Date**) no Rating Agency maintains an Investment Grade Rating with respect to both the Issuer and any Senior Preferred Notes as a result of a withdrawal of rating or downgrade of rating then, with effect on and from the Reversion Date, 4.7(a) shall no longer operate to suspend the application of the Suspended Covenants and the Issuer and the Group Companies will again be subject to the Suspended Covenants.

The period of time between the Suspension Date and the Reversion Date is referred to in this Condition 4.7(b) as the **Suspension Period**. Notwithstanding that the Suspended Covenants may be reinstated pursuant to this Condition 4.7(b), no Event of Default under Condition 10.1 will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period.

In addition, at any time following the Reversion Date and notwithstanding anything else in this Condition 4.7(b), the Issuer and the other Group Companies may honour any contractual commitments incurred during the Suspension Period (provided two authorised signatories of the Issuer have certified to the Trustee in writing that such contractual commitments were not incurred in anticipation of the Issuer and/or any Senior Preferred Notes no longer carrying an Investment Grade Rating from the relevant Rating Agency) without being deemed to have breached the Suspended Covenants, and accordingly no Event of Default will be deemed to have occurred as a result of the performance of such contractual commitments.

- (c) The Issuer shall promptly provide written notice to the Trustee and, in accordance with Condition 14, the Noteholders of the occurrence of any Suspension Date or Reversion Date and the consequential suspension or, as the case may be, re-instatement of the Suspended Covenants.
- (d) The Suspended Covenants may be subject to suspension and re-instatement pursuant to Conditions 4.7(a) and 4.7(b), respectively, on more than one occasion, if the conditions set out in those Conditions are satisfied from time to time.

4.8 Definitions

For the purposes of these Conditions:

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 applied by the Issuer in preparing its annual financial statements;

Capital Cover Ratio means the ratio of (A) the Group's total capital ratio, defined as its own funds (consisting of tier 1 capital and tier 2 capital) as defined in article 72 of CRR, as amended or replaced from time to time, expressed as a percentage of the total risk exposure amount as defined in article 92.3 of CRR, as amended or replaced from time to time, as reported by the Issuer to the Swedish Financial Supervisory Authority in accordance with applicable legal requirements in its most recent quarterly regulatory capital adequacy report on a Group consolidated basis, to (B) the legal minimum requirement set out in article 92.1(c) of CRR, as amended or replaced from time to time;

Customer Deposits means funds deposited with the Issuer or any of its Subsidiaries by its customers in the ordinary course of the Issuer's or any of its Subsidiaries' banking business;

Distributions means, in respect of a company (i) dividend payment in respect of shares, (ii) repurchase by such company of any of its own shares, (iii) redemption of such company's share capital or other restricted equity with repayment to shareholders and (iv) other distributions or transfers of value (*Sw. värdeöverföringar*);

Finance Lease means any lease or hire purchase contract which would, in accordance with the Accounting Principles as in force immediately before 1 January 2019, be treated as a finance or capital lease (excluding leases that would constitute operational leases in accordance with the Accounting Principles as in force immediately before 1 January 2019);

Financial Indebtedness means any indebtedness in respect of:

- (a) monies borrowed or raised (including, without limitation, Customer Deposits);
- (b) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (c) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, excluding any payment obligation (such as payment of deferred purchase price) in relation to a direct or indirect acquisition of Portfolios;
- (d) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (e) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (f) (without double counting) any guarantee or other assurance against financial loss in respect of any of the items referred to in sub-paragraphs (a)–(e) of this definition;

Group means the Issuer and its Subsidiaries from time to time (each such entity a **Group Company**);

Incurrence Test means that the Capital Cover Ratio is not less than 1.30:1.00;

Permitted Business means (a) any businesses or services engaged in by the Issuer or any of the other Group Companies on the Issue Date of the first Tranche of the Notes, as described in the Offering Circular relating to the Programme, and (b) any businesses or services that are related, complementary, incidental or ancillary thereto;

Permitted Debt means any Financial Indebtedness:

- (a) owed to a Group Company;
- (b) constituting subordinated debt obligations;
- (c) incurred by the Issuer under its EUR 150,000,000 multicurrency revolving facility agreement dated 28 September 2018 (or under any credit facility that may replace such multicurrency revolving facility, provided that the aggregate amount of Permitted Debt incurred in reliance on this paragraph (c) does not exceed EUR 150,000,000 (or its equivalent in any other currency or currencies));
- (d) incurred by the Issuer, including under the Programme, if (i) at the time of incurrence of such Financial Indebtedness, the Group meets the Incurrence Test, and (ii) such Financial Indebtedness is unsecured and ranks *pari passu* with, or is subordinated to, the obligations of the Issuer under the Notes and without any preference over the Notes;
- (e) constituting Customer Deposits;
- (f) incurred in respect of any Finance Lease up to an amount which, when taken together with the aggregate amount of any other Permitted Debt incurred in respect of any Finance Lease, does not at any time exceeding EUR 2,500,000 or the equivalent thereof in any other currency;
- (g) of any company, business or undertaking acquired by a Group Company which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and outstanding only for a period of six (6) months following the date of acquisition;
- (h) arising under a derivative transaction (including, for the avoidance of doubt, repo transactions) entered into by a Group Company in the ordinary course of business and for hedging purposes in connection with protection against or benefit from fluctuation in any rate or price; or
- (i) incurred by the Issuer or any of its Subsidiaries in an amount which, when taken together with the aggregate amount of any other Permitted Debt incurred in reliance on this paragraph (i), does not exceed an aggregate amount of 25.00 per cent. of total assets (as shown in the Group's most recent audited consolidated financial statements prepared in accordance with the Accounting Principles) of the Group.

Permitted Security means:

- (a) any security for, or payment or close-out netting or set-off arrangement in respect of, derivative transactions or clearing activities;
- (b) any security or quasi-security in respect of repo transactions entered into by the Issuer or any other Group Company in the ordinary course of business, provided that the security or quasi-

security for each such repo transaction is discharged within six (6) months of the granting thereof;

- (c) any netting or set-off arrangement entered into by the Issuer or any other Group Company in the ordinary course of banking arrangements for the purpose of netting debit and credit balances;
- (d) any lien arising by operation of law, retention of title arrangements relating to prepayments or similar arrangements in the ordinary course of business and not arising as a result of any default or omission by the Issuer or any other Group Company;
- (e) any security or quasi-security securing Financial Indebtedness permitted in accordance with paragraph (c), (f) or (i) of the definition of Permitted Debt; and
- (f) any security or quasi-security pertaining to any Permitted Debt set out in paragraph (f) of the definition of Permitted Debt, if (i) the security or quasi-security was not created in contemplation of the acquisition of that asset or company, (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset or company and (iii) the security or quasi-security is removed or discharged within six (6) months of the date of acquisition of such asset or of the date that company becoming a Group Company;

Portfolios means all of the Group's performing and non-performing credit claims and receivables (excluding any claim on a member of the Group), whether held directly by a Group Company or if held through a joint venture or a fund or similar arrangement the Group Company's pro rata share of such joint venture, fund or similar arrangement;

Programme means the Medium Term Note Programme established by Hoist Kredit AB (publ) (who merged with the Issuer as of 2 January 2018) on 20 May 2016; and

Subsidiary means, in relation to any person, any entity (whether incorporated or not), in respect of which such person, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body, or (iv) consolidates accounts with in accordance with the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such

Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Fixed Reset Notes

(a) Rate of Interest

Each Fixed Reset Note bears interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Interest Rate;
- (ii) from (and including) the First Reset Date to (but excluding) the Second Reset Date or, if none, the Maturity Date (the **First Reset Period**) at the rate per annum equal to the First Reset Rate; and
- (iii) if applicable, from (and including) the Second Reset Date to (but excluding) the first Subsequent Reset Date (if any), and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each a **Subsequent Reset Period**) at the rate per annum equal to the relevant Subsequent Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a **Rate of Interest**) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

The provisions of this Condition 5 shall apply, as applicable, in respect of any determination by the Calculation Agent of the Rate of Interest for a Reset Period in accordance with this Condition 5.2 as if the Fixed Reset Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with the provisions of this Condition 5.2. Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 5.1 shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

For the purposes of these Conditions:

First Reset Rate means the sum of the Reset Margin and the Mid-Swap Rate for the First Reset Period;

Mid-Swap Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the rate for the Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively (with such semi-annual swap rate to be converted to a quarterly rate in accordance with market convention, in the case of quarterly Interest Payment Dates) for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the relevant Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date will be the Reset Reference Bank Rate for the relevant Reset Period;

Reference Banks means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service for the purpose of displaying the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

Representative Amount means an amount that is representative for a single transaction in the relevant market at the relevant time;

Reset Date means the First Reset Date, the Second Reset Date and each Subsequent Reset Date, as applicable;

Reset Determination Date means the second Business Day immediately preceding the relevant Reset Date;

Reset Period means the First Reset Period or any Subsequent Reset Period, as the case may be;

Reset Period Mid-Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg (in each case calculated on the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) the Notes were Floating Rate Notes, (b) the Reference Rate was the Floating Leg Reference Rate as specified in the applicable Final Terms and (c) the Relevant Screen Page was the Floating Leg Screen Page as specified in the applicable Final Terms;

Reset Reference Bank Rate means, in relation to a Reset Date and the Reset Period commencing on that Reset Date, the percentage determined on the basis of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date. The Issuer will request the principal office of each of the Reference Banks to provide a quotation of its rate and the Issuer will provide each quotation to the Calculation Agent. If at least three quotations are provided, the relevant Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the relevant Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the relevant Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the relevant Reset Reference Bank Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate as specified in the applicable Final Terms; and

Subsequent Reset Rate means, in respect of any Subsequent Reset Period, the sum of the Reset Margin and the Mid-Swap Rate for the relevant Subsequent Reset Period.

(b) **Notification of Rate of Interest and Reset Interest Amounts**

Subject to Condition 5.4, the Calculation Agent will cause each Rate of Interest and the amount of interest (the **Reset Interest Amount**) payable for each Interest Period falling in a Reset Period to be notified to the Issuer, the Trustee and any stock exchange (or listing agent as the case may be) on which the relevant Fixed Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(c) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents, the Trustee and all Noteholders and Couponholders and (in the absence of wilful default and gross negligence) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Floating Rate Notes

(a) **Interest Payment Dates**

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed

to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;
 - (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor to or replacement for that system (**T2**) is open; and
 - (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.
- (b) **Rate of Interest**

The Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either EURIBOR, STIBOR or NIBOR as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be

disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no offered quotation appears or, in the case of (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide it with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question and the Issuer will provide each quotation to the Calculation Agent. If two or more of the Reference Banks provide the Issuer with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Issuer with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to the Issuer by the Reference Banks or any two or more of them and subsequently communicated to the Calculation Agent by the Issuer, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Issuer with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Issuer (and the Issuer subsequently informs the Calculation Agent) it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Stockholm inter-bank market (if the Reference Rate is STIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this Condition 5.3(b):

Reference Banks means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market and in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Issuer; and

Specified Time means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR or Stockholm time, in the case of a determination of STIBOR) or 12.00 noon (Oslo time in the case of a determination of NIBOR).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are (A) represented by a Global Note or (B) Registered Notes in definitive form, the aggregate outstanding nominal amount of (I) the Notes represented by such Global Note or (II) such Registered Notes; or
- (ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as an independent adviser acting in good faith and in a commercially reasonable manner, appointed by the Issuer, determines appropriate.

Designated Maturity means the period of time designated in the Reference Rate.

(f) **Notification of Rate of Interest and Interest Amounts**

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice

in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) **Certificates to be final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents, the Trustee and all Noteholders and Couponholders and (in the absence of wilful default and gross negligence) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.4 Benchmark Discontinuation

This Condition 5.4 is applicable if either (I) the Notes are Fixed Reset Notes or (II) the Notes are Floating Rate Notes.

(a) **Independent Adviser**

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining Rate of Interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.4(b)) and (in either case) an Adjustment Spread (in accordance with Condition 5.4(c)) and any Benchmark Amendments (in accordance with Condition 5.4(d)).

An Independent Adviser appointed pursuant to this Condition 5.4 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Agents, any Calculation Agent, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5.4.

(b) **Successor Rate or Alternative Rate**

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

- (i) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread, as provided in Condition 5.4(c)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread, as provided in Condition 5.4(c)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.4).

(c) **Adjustment Spread**

If a Successor Rate or Alternative Rate is determined in accordance with Condition 5.4(b), the Independent Adviser, acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) **Benchmark Amendments**

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.4 and the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Trust Deed (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Relevant Screen Page, Interest Determination Date, Reset Determination Date and/or Reference Banks) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.4(e), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions and/or the Trust Deed (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 5.4(e), the Trustee shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of Noteholders or Couponholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee shall not be liable to any party for any consequences thereof, provided that the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

(e) **Notices, etc.**

The Issuer will notify the Trustee, the Principal Paying Agent, any Calculation Agent, the other Agents and, in accordance with Condition 14, the Noteholders and Couponholders promptly (and, in any case, no later than 5 Business Days prior to the relevant Interest Determination Date or Reset Determination Date, as the case may be, relating to the next succeeding Interest Period or Reset Period, as the case may be) of any Successor Rate or Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.4. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

- (i) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) the applicable Adjustment Spread and (D) the specific

terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.4; and

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

The Trustee shall be entitled to rely on such certificate (without inquiry and without liability to any person) as sufficient evidence thereof. For the avoidance of doubt, the Trustee shall not be liable to the Noteholders, Couponholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the Noteholders or Couponholders or any such person. The Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate, the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Principal Paying Agent, any Calculation Agent, the other Agents and the Noteholders and Couponholders as of their effective date.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under the provisions of this Condition 5.4, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 or Condition 5.3(b), as applicable, will continue to apply unless and until a Benchmark Event has occurred in respect of the relevant Original Reference Rate.

(g) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of an applicable Rate of Interest on the relevant Interest Determination Date or an applicable Reset Rate on the relevant Reset Determination Date, as the case may be, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Calculation Agent in each case pursuant to this Condition 5.4, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date or such Reset Rate on such Reset Determination Date, as the case may be, with the effect that the fallback provisions provided for in Condition 5.2 or Condition 5.3(b), as applicable will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 5.4(g) shall only apply to the determination of the Rate of Interest on the relevant Interest Determination Date or the Reset Rate on the relevant Reset Determination Date (as applicable), and the Rate of Interest or Reset Rate applicable to any subsequent Interest Period(s) or Reset Period(s) (each as applicable) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.4.

(h) Senior Non-Preferred Notes and Subordinated Notes

Notwithstanding any other provision of this Condition 5.4:

- (i) no Successor Rate or Alternative Rate (as applicable) will be adopted, no Adjustment Spread will be applied and no other amendments to these Conditions and/or the Trust Deed will be made, in each case pursuant to this Condition 5.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as:

- (A) in the case of Senior Non-Preferred Notes, MREL Eligible Liabilities; or
 - (B) in the case of Subordinated Notes, Tier 2 capital of the Issuer; and
- (ii) in the case of Senior Non-Preferred Notes only, no Successor Rate or Alternative Rate (as applicable) will be adopted, no Adjustment Spread will be applied and no other amendments to these Conditions and/or the Trust Deed will be made pursuant to this Condition 5.4, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Resolution Authority treating the next Interest Payment Date or Reset Date, as applicable, as the effective maturity of the Notes, rather than the relevant Maturity Date.

(i) **Definitions**

As used in this Condition 5.4:

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

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) in the case of an Alternative Rate or (where (A) above does not apply) in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (C) if neither (A) nor (B) above applies, the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 5.4(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities in the Specified Currency and:

- (A) in the case of Notes which are Floating Rate Notes, with an interest period of comparable duration to the relevant Interest Period(s); or
- (B) in the case of Notes which are Fixed Reset Notes, with a tenor or reset period of comparable duration to the relevant Reset Period(s),

or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate;

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

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

- (B) the later of (I) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (II) the date falling six months prior to the specified date referred to in (B)(I); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or
- (D) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (II) the date falling six months prior to the specified date referred to in (D)(I); or
- (E) the later of (I) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (II) the date falling six months prior to the specified date referred to in (E)(I); or
- (F) it has or will, prior to the next Interest Determination Date or Reset Determination Date (as applicable), become unlawful for the Issuer or any Calculation Agent to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate; or
- (G) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 5.4(a);

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

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

- (A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the Original Reference Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (III) a group of the aforementioned central

banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof; and

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

5.5 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, STIBOR or NIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes, Fixed Reset Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement.

5.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 8 and (ii) 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, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Bearer Notes and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Fixed Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Payments in respect of Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) each Additional Financial Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;

- (e) the Change of Control Redemption Amount (if any) of the Notes;
- (f) the Make-Whole Redemption Amount(s) (if any) of the Notes;
- (g) the Residual Call Early Redemption Amount (if any) of the Notes; and
- (h) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:
 - (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 8) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

- (ii) This Condition 7.2(ii) is applicable only in relation to Notes specified in the applicable Final Terms as being Subordinated Notes and references to **Notes** in this Condition 7.2(ii) shall be construed accordingly.

If a Tax Event occurs, the Issuer may redeem the Notes in whole but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount referred to in Condition 7.8 below, together (if appropriate) with interest accrued to (but excluding) the relevant date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be subject to the consequences described in sub-paragraph (x) or (y) of the definition of “Tax Event” were a payment in respect of the Notes then due.

Tax Event means the delivery to the Trustee to make available at its specified office to the Noteholders of (A) a certificate signed by two authorised signatories of the Issuer and (B) an opinion of independent legal advisers of recognised standing and acceptable to the Trustee, each to the effect that, as a result of (i) any amendment to, clarification of, or change (excluding any proposed amendment, clarification or change) in, the laws or treaties (or any regulations thereunder) of a Tax Jurisdiction, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action or any interpretation or pronouncement that provides for a position with respect to such governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, or change is effective or such pronouncement or decision is announced on or after the relevant Issue Date of the first Tranche of the Notes, there is more than an insubstantial risk that (x) the Issuer is, or will be, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges or civil liabilities with respect to the Notes or (y) the treatment of any of the Issuer’s items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to more than a *de minimis* amount of additional taxes, duties or other governmental charges and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.8 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. If redemption in part is specified as being applicable in the applicable

Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

7.4 Make-Whole Redemption by the Issuer

If Make-Whole Redemption by the Issuer is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-Whole Redemption Date**)), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Make-Whole Redemption Date and at the Make-Whole Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Redeemed Notes will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the relevant Make-Whole Redemption Date and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the relevant Make-Whole Redemption Date.

In this Condition 7.4, **Make-Whole Redemption Amount** means: (A) the outstanding nominal amount of the relevant Note or (B) if higher, the sum, as determined by the Make-Whole Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the relevant Make-Whole Redemption Date on an annual basis at the Reference Rate plus the Make-Whole Redemption Margin (if any) specified in the applicable Final Terms, where:

CA Selected Bond means a government security or securities (which, if the Specified Currency is euro, will be a German *Bundesobligationen*) selected by the Make-Whole Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

Make-Whole Calculation Agent means a leading investment, merchant or commercial bank appointed by the Issuer and approved in writing by the Trustee for the purposes of calculating the relevant Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 14;

Reference Bond means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Make-Whole Calculation Agent advises the Issuer that, at the time at which the relevant Make-Whole Redemption Amount is to be determined, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, the Reference Bond shall be such other central bank or government security as the Make-Whole Calculation Agent may, after consultation with the Issuer and with the advice of Reference Market Makers, determine to be appropriate;

Reference Bond Price means (i) the average of five Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest of such five Reference Market Maker Quotations (or, if there are two highest and/or two lowest quotations, excluding just one of such highest quotations and/or one of such lowest quotations, as the case may be), (ii) if the Make-Whole Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Make-Whole Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) quoted in writing to the Make-Whole Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Date specified in the applicable Final Terms;

Reference Market Makers means five brokers or market makers of securities such as the Reference Bond selected by the Make-Whole Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Make-Whole Calculation Agent in consultation with the Issuer; and

Reference Rate means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Date specified in the applicable Final Terms.

The Make-Whole Redemption Amount shall be notified by the Issuer or the Make-Whole Calculation Agent to the Principal Paying Agent, any Calculation Agent, the Trustee and the Noteholders no less than two business days prior to the relevant Make-Whole Redemption Date.

7.5 Issuer Residual Call

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 25 per cent. or less of the aggregate nominal amount of the Series issued (other than as a result (in whole or in part) of a partial redemption of the Notes pursuant to Condition 7.3 and/or 7.4), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or

on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) at the Residual Call Early Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7.5, the Issuer shall deliver to the Trustee, to make available at its specified office to the Noteholders, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate nominal amount of the Notes is 25 per cent. or less of the aggregate nominal amount of the Series issued. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.6 Redemption at the option of the Noteholders (Investor Put) (other than upon a Change of Control)

This Condition 7.6 may be applicable only in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes and references to **Notes** in this Condition 7.6 shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 7.6 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.6.

7.7 Redemption as a result of a Change of Control of the Issuer (Change of Control Put)

This Condition 7.7 may be applicable only in relation to Notes specified in the applicable Final Terms as being Senior Preferred Notes and references to **Notes** in this Condition 7.7 shall be construed accordingly.

If (a) Change of Control Put is specified as being applicable in the applicable Final Terms and (b) at any time while this Note remains outstanding, either of the following events shall occur (each, as applicable, a **Put Event**):

- (i) a Change of Control occurs and, if at the start of the Change of Control Period the Notes or the Issuer are rated by any Rating Agency, (A) a Rating Downgrade in respect of that Change of Control occurs and (B) following such Rating Downgrade neither the Notes nor the Issuer carry a public Investment Grade Rating from any other Rating Agency; or
- (ii) a Change of Control occurs and (A) on the occurrence of the Change of Control, neither the Notes nor the Issuer are rated by any Rating Agency and (B) neither the Notes nor the Issuer are within the Change of Control Period assigned a public Investment Grade Rating by a Rating Agency,

the holder of each Note will have the option (the **Change of Control Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 7.2) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of this Note on the Change of Control Redemption Date (as defined below), at the Change of Control Redemption Amount together with (or, where purchased, together with an amount equal to) accrued interest (if applicable) to (but excluding) the Change of Control Redemption Date.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option:

- (x) if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the period (the **Change of Control Put Period**) of 30 days after that on which the Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Change of Control Put Exercise Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to

which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Change of Control Put Exercise Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Change of Control Put Exercise Notice, be held to its order or under its control, and all unmatured Coupons and Talons (if any) relating thereto shall be dealt with as per the provisions of Condition 6.2; and

- (y) if this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, the holder of this Note must, within the Change of Control Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on such holder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as applicable, from time to time.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the Notes in respect of which the Change of Control Put Option has been validly exercised on the Change of Control Redemption Date.

Any Change of Control Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable, given by a holder of any Note pursuant to this Condition 7.7 shall be irrevocable except (i) with the prior consent of the Issuer or (ii) where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Exercise Notice or such other notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 10.

The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred.

If 80 per cent. or more in aggregate nominal amount of the Notes then outstanding is redeemed pursuant this Condition 7.7, the Issuer may, at its option and on not less than 30 or more than 60 days' notice to the Trustee and, in accordance with Condition 14. the Noteholders given within 30 days after the Change of Control Redemption Date (which notice shall be irrevocable), redeem, all (but not part only) of the remaining Notes at the Change of Control Redemption Amount together with interest (if applicable) accrued and unpaid to (but excluding) the date of such redemption. Such notice to the Noteholders shall specify the date fixed for redemption, the redemption price and the manner in which redemption will be effected.

For the purposes of this Condition 7.7:

- (a) A **Change of Control** shall be deemed to have occurred if at any time (whether or not approved by the Board of Directors of the Issuer) any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (the **Relevant Person(s)**) directly or indirectly come(s) to own or acquire(s) (A) more than 50 per cent. of the issued ordinary share capital of the Issuer; or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall be deemed not to have occurred if all or substantially all of the shareholders of the Relevant Person(s) are, or immediately prior to the event which would otherwise have constituted a Change of

Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interest in the share capital of the Relevant Person(s) as such shareholders have, or as the case may be, had in the share capital of the Issuer;

- (b) **Change of Control Period** means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below) provided that such Potential Change of Control Announcement is followed within 180 days by a Change of Control, and (ii) ending on the date which is 90 days after the date on which the relevant Change of Control occurs (such 90th day, the **Initial Longstop Date**); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Notes or the Issuer, if a Rating Agency publicly announces, at any time prior to the Initial Longstop Date, that it has placed its rating of the Notes or the Issuer under consideration for rating review as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 60 days after the Initial Longstop Date;
- (c) **Change of Control Redemption Date** means the tenth day after the date of expiry of the Change of Control Put Period;
- (d) an **Investment Grade Rating** means, in relation to Moody's, a rating of Baa3 or better, or in relation to S&P, a rating of BBB- or better (provided that, if the rating designations employed by a Rating Agency are changed from those referred to above, the Issuer shall determine, with the agreement of the Trustee, the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 7.7 shall be read accordingly) and, in the case of any other Rating Agency, a comparable rating from that Rating Agency;
- (e) a **Non-Investment Grade Rating** means, in relation to S&P, a rating of BB+ or below, or in relation to Moody's, a rating of Ba1 or below (provided that, if the rating designations employed by a Rating Agency are changed from those referred to above, the Issuer shall determine, with the agreement of the Trustee, the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 7.7 shall be read accordingly) and, in the case of any other Rating Agency, a comparable rating from that Rating Agency;
- (f) **Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific potential Change of Control;
- (g) **Rating Agency** means any of the following: (i) S&P Global Ratings Europe Limited (**S&P**); (ii) Moody's Investors Service (Nordics) AB (**Moody's**); or (iii) any other rating agency of equivalent international standing specified from time to time by the Issuer, and, in each case, their respective successors or affiliates; and
- (h) A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes or the Issuer by any Rating Agency is (i) withdrawn and not reinstated during the Change of Control Period to an Investment Grade Rating by such Rating Agency or (ii) changed from an Investment Grade Rating to a Non-Investment Grade Rating by any Rating Agency and is not raised again to an Investment Grade Rating within the Change of Control Period or (iii) if such rating previously assigned to the Notes or the Issuer by any Rating Agency was below an Investment Grade Rating at the start of the Change of Control Period, lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents) and is not raised again to its earlier credit rating or better by such Rating Agency within the Change of Control Period; provided that a Rating Downgrade otherwise arising by virtue of a particular change in or withdrawal of a rating shall be deemed not to have occurred in

respect of a particular Change of Control if the Rating Agency making the change in or withdrawal of a rating does not confirm in writing to the Issuer or publicly announce or publicly confirm that the reduction or withdrawal was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control or Potential Change of Control Announcement.

7.8 Early Redemption Amounts

For the purpose of Condition 7.2 above, Conditions 7.12 and 7.13 below and Condition 10 below:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount, which will be its principal amount unless otherwise specified in the applicable Final Terms; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount, which will be calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.9 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.11 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.8(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

7.12 Redemption at the option of the Issuer upon occurrence of a Capital Event

This Condition 7.12 applies only in the case of Notes specified in the applicable Final Terms as being Subordinated Notes and references to **Notes** in this Condition 7.12 shall be construed accordingly.

If a Capital Event occurs, the Issuer may, within 90 calendar days of the occurrence of the relevant Capital Event, at its option, give notice to the Principal Paying Agent, the Trustee and the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes shall be redeemed:

- (i) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms; or
- (ii) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the Early Redemption Amount referred to in Condition 7.8 above, together with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

In these Conditions:

A **Capital Event** means the determination by the Issuer, after consultation with the SFSA that as a result of a change in Swedish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date of the first Tranche of the Notes, the aggregate outstanding nominal amount of the Notes is fully excluded from Tier 2 capital of the Issuer (other than as a result of any applicable limitation on the amount of such capital) such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two authorised signatories of the Issuer; and

Tier 2 capital means Tier 2 capital (*supplementärkapital*) as defined in Part 2 Chapter 4 of the CRR or in any other Applicable Banking Regulations, in each case as amended or replaced.

7.13 Redemption at the option of the Issuer upon occurrence of a MREL Disqualification Event

This Condition 7.13 applies only in the case of Notes specified in the applicable Final Terms as being Senior Non-Preferred Notes and where "Redemption upon occurrence of a MREL Disqualification Event" is specified as being applicable in the applicable Final Terms, and references to **Notes** in this Condition 7.13 shall be construed accordingly.

If a MREL Disqualification Event occurs, the Issuer may, at its option, give notice to the Principal Paying Agent, the Trustee and the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes shall be redeemed:

- (i) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms; or
- (ii) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at the Early Redemption Amount referred to in Condition 7.8 above, together with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

For the purposes of these Conditions, **MREL Disqualification Event** means, in respect of a Series of Senior Non-Preferred Notes, the determination by the Issuer (such determination to be confirmed by the Issuer to the Trustee in a certificate signed by two authorised signatories of the Issuer) that, as a result of a change in any Applicable MREL Regulations becoming effective on or after the Issue Date of the first Tranche of the Notes, it is likely that the Notes will be fully excluded or partially excluded from the "eligible liabilities" (or any equivalent or successor term) available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) if the Issuer or the Group is then or, as the case may be, will be subject to such MREL Requirement, provided that a MREL Disqualification Event shall not occur where such exclusion is or will be caused by (1) the remaining maturity of such Notes being less than any period prescribed by any applicable eligibility criteria under the Applicable MREL Regulations, or (2) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirement(s) being exceeded.

7.14 Conditions to Redemption, Purchase, Substitution and Variation of Subordinated Notes and Senior Non-Preferred Notes

In the case of Notes specified in the applicable Final Terms as being:

- (a) Subordinated Notes, no early redemption, purchase, substitution or variation as contemplated by this Condition 7 of such Notes may be made without the prior consent of the SFSA; or
- (b) Senior Non-Preferred Notes, no early redemption, purchase, substitution or variation as contemplated by this Condition 7 of such Notes may be made without the prior consent of the Resolution Authority.

7.15 Variation or Substitution of Subordinated Notes and Senior Non-Preferred Notes

This Condition 7.15 is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes or Senior Non-Preferred Notes and where "Substitution or variation" is

specified as being applicable in the applicable Final Terms, and references to Notes in this Condition 7.15 shall be construed accordingly.

If at any time, in the case of Senior Non-Preferred Notes, a MREL Disqualification Event occurs or, in the case of Subordinated Notes, a Capital Event occurs and, in either case, is continuing or in order to ensure the effectiveness and enforceability of Condition 19.5, the Issuer may, subject to Condition 7.14 (without any requirement for the consent or approval of the Noteholders or, subject as provided below, the Trustee) on giving not less than 30 nor more than 60 days' notice to (i) the Trustee and the Principal Paying Agent and (ii) the Noteholders in accordance with Condition 14 (which notice shall be irrevocable) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes and/or the terms of the Trust Deed so that they remain or, as appropriate, become, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities (as defined below) or, in the case of Subordinated Notes, Subordinated Qualifying Securities (as defined below), as the case may be.

The Trustee shall (at the request and expense of the Issuer) agree to the substitution of the Notes for, or the variation of the terms of the Notes so that they remain or, as appropriate, become, in the case of Senior Non-Preferred Notes, Senior Non-Preferred Qualifying Securities or, in the case of Subordinated Notes, Subordinated Qualifying Securities, as the case may be, as aforesaid, provided that (i) the Trustee receives the certificate in the form described in the definition of Subordinated Qualifying Securities or Senior Non-Preferred Qualifying Securities, as the case may be, in accordance with the provisions thereof, and (ii) the terms of the proposed Senior Non-Preferred Qualifying Securities or Subordinated Qualifying Securities or the agreement to such substitution or variation, as the case may be, would not impose, in the Trustee's opinion, more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protections and rights afforded to it in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed).

The Trustee shall not be liable for any such substitution or variation, as the case may be, or for any consequences thereof.

For the purposes of these Conditions:

Senior Non-Preferred Qualifying Securities means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to the Noteholders as a class than the terms of the Senior Non-Preferred Notes (as reasonably determined by the Issuer, after having consulted an independent third party financial adviser of international standing, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee not less than five business days prior to (i) in the case of a substitution of the Senior Non-Preferred Notes, the issue of the relevant securities or (ii) in the case of a variation of the Senior Non-Preferred Notes, such variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Senior Non-Preferred Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements in relation to "eligible liabilities" (or any equivalent or successor term) provided for in the Applicable MREL Regulations, (5) preserve any existing rights under the Senior Non-Preferred Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the

Interest Commencement Date, (6) where the Senior Non-Preferred Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (A) the solicited credit rating of the Senior Non-Preferred Notes immediately prior to their substitution or variation or (B) where the solicited credit rating of the Senior Non-Preferred Notes was, as a result of Condition 19.5 becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the solicited credit rating of the Senior Non-Preferred Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and

- (ii) are listed on a recognised stock exchange, if the Senior Non-Preferred Notes were listed immediately prior to such substitution or variation, as selected by the Issuer and approved by the Trustee.

Subordinated Qualifying Securities means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to the Noteholders as a class than the terms of the Subordinated Notes (as reasonably determined by the Issuer, after having consulted an independent third party financial adviser of international standing, and provided that a certification to such effect of two authorised signatories of the Issuer shall have been delivered to the Trustee not less than five business days prior to (i) in the case of a substitution of the Subordinated Notes, the issue of the relevant securities or (ii) in the case of a variation of the Subordinated Notes, such variation, as the case may be), provided that they shall (1) include a ranking at least equal to that of the Subordinated Notes prior to such substitution or variation, as the case may be, (2) have the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes prior to such substitution or variation, as the case may be, (3) have the same redemption rights and obligations as the Subordinated Notes prior to such substitution or variation, as the case may be, including, but not limited to, as to timing and amount, (4) comply with the then current requirements of the SFSA in relation to Tier 2 capital, (5) preserve any existing rights under the Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, as the case may be, or, if none, the Interest Commencement Date, (6) where the Subordinated Notes which have been substituted or varied had a solicited credit rating immediately prior to their substitution or variation, be assigned a solicited credit rating equal to or higher than (A) the solicited credit rating of the Subordinated Notes immediately prior to their substitution or variation or (B) where the solicited credit rating of the Subordinated Notes was, as a result of Condition 19.5 becoming ineffective and/or unenforceable, amended prior to such substitution or variation, the credit rating of the Subordinated Notes immediately prior to such amendment, and (7) not include any loss absorbing provisions such as principal write-offs, write-downs or conversion to equity, unless the triggers are objective and measurable; and
- (ii) are listed on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution, as selected by the Issuer and approved by the Trustee.

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law.

In such event, the Issuer will, in respect of payments of interest only (in the case of Senior Non-Preferred Notes, Subordinated Notes and (if "Senior Preferred Notes Restricted Gross Up" is specified as being applicable in the applicable Final Terms) Senior Preferred Notes) and payments of principal and interest (in the case of all other Notes), pay such additional amounts (**Additional Amounts**) as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the Kingdom of Sweden; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6).

As used herein:

- (i) **Tax Jurisdiction** means the Kingdom of Sweden or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default relating to certain Senior Preferred Notes

This Condition 10.1 only applies to Senior Preferred Notes (except where "Senior Preferred Notes Restricted Events of Default" is specified as being applicable in the applicable Final Terms, in which case Condition 10.2 shall apply to such Senior Preferred Notes) and references to **Notes** in this Condition 10.1 shall be construed accordingly. The following shall be events of default (each an **Event of Default**) in relation to the Notes:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 10 days; or

- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or in the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Financial Indebtedness of the Issuer or any of its Principal Subsidiaries is declared or otherwise becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Financial Indebtedness on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Financial Indebtedness becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Financial Indebtedness of any other person; provided that no event described in this Condition 10.1(c) shall constitute an Event of Default unless the relevant amount of Financial Indebtedness or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least €5,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of (i) reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or (ii) in the case of a Principal Subsidiary, a winding up or dissolution whilst solvent and pursuant to which all the assets of such Principal Subsidiary are transferred to the Issuer or a Subsidiary of the Issuer; or
- (e) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of (i) reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or (ii) in the case of a Principal Subsidiary, whereby the business is transferred to or otherwise vested with the Issuer or any of its Subsidiaries (in which event such Subsidiary shall immediately after such transfer be deemed a Principal Subsidiary), or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) is not discharged within 14 days; or

- (g) if the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium), save, in the case of a Principal Subsidiary, for a liquidation whilst solvent and pursuant to which all the assets of such Principal Subsidiary are transferred to the Issuer or a Subsidiary of the Issuer (in which event such Subsidiary shall immediately after such transfer be deemed a Principal Subsidiary), or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) the Issuer's licence to conduct financing business in accordance with the Swedish Banking and Financing Act (*Sw.lag (2004:297) om bank och finansieringsrörelse*) as amended from time to time, is withdrawn by the SFSA; or
- (i) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

If any Event of Default shall have occurred, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs 10.1(b) to 10.1(d) (other than the winding up or dissolution of the Issuer) and 10.1(e) to 10.1(i) inclusive above, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed.

10.2 Events of Default relating to Subordinated Notes, Senior Non-Preferred Notes and certain Senior Preferred Notes

- (a) This Condition 10.2 only applies to Subordinated Notes, Senior Non-Preferred Notes or, where "Senior Preferred Notes Restricted Events of Default" is specified as being applicable in the applicable Final Terms, Senior Preferred Notes and references to **Notes** in this Condition 10.2 shall be construed accordingly. The following shall be events of default (each an **Event of Default**) in relation to the Notes:
 - (i) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 10 days; or
 - (ii) if an order is made or an effective resolution is passed for the winding up or liquidation of the Issuer (except for the purpose of a merger, reconstruction or amalgamation under which the continuing entity effectively assumes the entire obligations of the Issuer under the Notes) or the Issuer is otherwise declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case by a court or agency or supervisory authority in the Kingdom of Sweden having jurisdiction in respect of the same.

If any Event of Default shall have occurred under this Condition 10.2(a), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall

(subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction),

- (1) (in the case of (i) above), institute such steps, including the obtaining of a judgment against the Issuer for any amount due in respect of the relevant Notes, as it thinks desirable with a view to having the Issuer declared bankrupt (*konkurs*) or put into liquidation (*likvidation*), in each case in the Kingdom of Sweden and not elsewhere, and prove or claim in the bankruptcy or liquidation of the Issuer; and/or
- (2) (in the case of (ii) above), prove or claim in the bankruptcy or liquidation of the Issuer, whether in the Kingdom of Sweden or elsewhere and instituted by the Issuer itself or by a third party,

but (in either case) the Trustee may claim payment in respect of the Note only in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer.

- (b) In any of the events or circumstances described in (a)(ii) above, the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall (subject to the provisions set out in Condition 10.2(a)) thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed, but (except with the prior consent of the Resolution Authority (if such consent is required by the Applicable MREL Regulations (in the case of Senior Non-Preferred Notes or Senior Preferred Notes where "Senior Preferred Notes Restricted Events of Default" is specified as being applicable in the applicable Final Terms)) or the SFSA (if such consent is required by the Applicable Banking Regulations (in the case of Subordinated Notes)) subject to the Issuer only being required to make such payment after it has been declared bankrupt (*konkurs*) or put into liquidation (*likvidation*)).
- (c) The Trustee may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Conditions 10.2(a) or 10.2(b) above, any obligation for the payment of any principal or interest in respect of the Notes) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (d) No remedy against the Issuer, other than as provided in Condition 10.2(a) and 10.2(c) above or proving or claiming in the bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer in the Kingdom of Sweden or elsewhere, shall be available to the Trustee or the holders of 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 under the Notes or the Trust Deed.

10.3 Enforcement

The Trustee may at any time (but subject, in the case of Subordinated Notes, Senior Non-Preferred Notes and, where "Senior Preferred Notes Restricted Events of Default" is specified as being applicable in the applicable Final Terms, Senior Preferred Notes, to Condition 10.2), at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it

shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails to do so within 60 days, or (ii) is unable for any reason to do so, and the failure or inability shall be continuing (in which event, in the case of a Subordinated Note, Senior Non-Preferred Note or, where "Senior Preferred Notes Restricted Events of Default" is specified as being applicable in the applicable Final Terms, Senior Preferred Note, the relevant Noteholder or Couponholder shall have only such right against the Issuer as those which the Trustee is entitled to exercise as set out in these Conditions).

10.4 Definitions

For the purposes of the Conditions:

- (a) a **Principal Subsidiary** means a Subsidiary of the Issuer whose gross assets or gross revenue represent more than (i) 10 per cent. of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions) or (ii) 10 per cent. of the total gross revenue of the Group, in each case according to the most recent financial statements of the Issuer and its Subsidiaries; and
- (b) a **Subsidiary** of a company or corporation shall be construed as a reference to any company or corporation:
 - (i) which is controlled, directly or indirectly, by the first-mentioned company or corporation;
 - (ii) more than half the equity or issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
 - (iii) which is a Subsidiary of another Subsidiary of the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and (in the case of Registered Notes) a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a

stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all

the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter. In addition, the Trustee shall be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5.4 without the consent or approval of the Noteholders or Couponholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to (i) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (ii) certain other conditions set out in the Trust Deed being complied with. Any such substitution in relation to (A) any Senior Non-Preferred Notes is subject to the prior consent of the Resolution Authority or (B) any Subordinated Notes is subject to the prior consent of the SFSA.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 80 days' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees for the time being of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use its best endeavours to procure that a new trustee is appointed as soon as reasonably practicable. If no appointment has become effective within 80 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

17. FURTHER ISSUES

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

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Trust Deed (except for Clause 4), the Agency Agreement, the Notes (except for Conditions 3.1, 3.2, 3.3 and 3.4) and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and construed in accordance with, English law. Conditions 3.1, 3.2, 3.3 and 3.4 and Clause 4 of the Trust Deed are governed by, and shall be construed in accordance with, Swedish law.

19.2 Submission to jurisdiction

- (a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 19.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

- (c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The Issuer irrevocably appoints Hoist Finance AB (publ) UK Branch (UK establishment number BR023171) through its registrant Hoist Finance AB (publ) at White Tower Level 6, Suite 7, MediaCityUK, Salford, M50 2NT, United Kingdom as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Hoist Finance AB (publ) UK Branch (UK establishment number BR023171) through its registrant Hoist Finance AB (publ) being unable or unwilling for any reason so to act, it will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19.4 Other documents

The Issuer has in the Trust Deed and the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

19.5 Swedish Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 19.5, includes each holder of a beneficial interest in the Notes), by its acquisition of any Note, each Noteholder acknowledges, accepts and consents that the Notes and any liability arising under the Notes may be subject to the exercise of Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes (which may be a reduction to nil);
 - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (D) the amendment or alteration of the term of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

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

For the purposes of this Condition 19.5:

Relevant Amounts means the outstanding principal amount of the Notes, together with any accrued but unpaid interest thereon and any additional or other amounts whatsoever accrued or due or which would otherwise be payable on or in respect of the Notes. References to such amounts will include (but not be limited to) amounts that have become due and payable, but which have not been paid, prior to the exercise of any Swedish Statutory Loss Absorption Powers by the Relevant Resolution Authority;

Relevant Resolution Authority means the Swedish National Debt Office and/or any other resolution authority with the ability to exercise any Swedish Statutory Loss Absorption Powers in relation to the Issuer or any Notes; and

Swedish Statutory Loss Absorption Powers means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Kingdom of Sweden relating to (i) the transposition into Swedish law of the BRRD (including, without limitation, the Resolution Act (*Sw. Lag (2015:1016) om resolution*) and the Precautionary Support Act (*Sw. Lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*)) and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

DESCRIPTION OF THE ISSUER AND THE GROUP

Introduction

The Issuer's legal and commercial name is Hoist Finance AB (publ), and its Swedish Corporate ID No. is 556012-8489 and its Legal Entity Identifier Code is 549300NPK3FB2BEL4D08. The Issuer's registered address is P.O. Box 7848, SE-103 99 Stockholm, Sweden. The Issuer's telephone number in Sweden is + 46 (0) 85551 7790. The Issuer's website is <https://www.hoistfinance.com/>.

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

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

Ownership

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

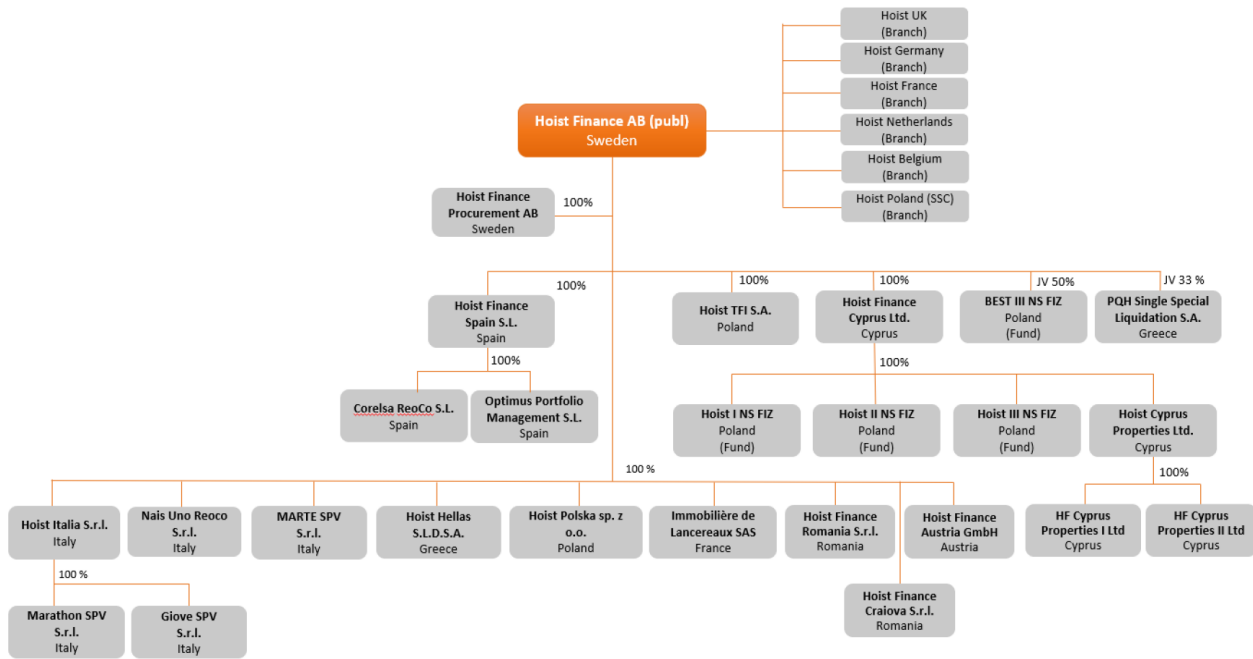
The Issuer has, at the date of this Offering Circular, no knowledge of any arrangements (including any shareholders' agreements or other agreements) the operation of which may at a subsequent date result in a change of control of the Issuer.

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

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

Group structure

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



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

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

Legal Entity	Crop. Reg. no.	Domicile	Shareholding (fully diluted) (%)
Hoist Finance Procurement AB	559333-7909	Stockholm	100
Immobilière de Lancereaux SAS	2018B20590	Paris	100
HECTOR Sicherheiten-Verwaltungs GmbH (1)	HRB 74561	Duisburg	100
Hoist Polska sp. z o.o.	0000536257	Wroclaw	100
Hoist Finance Cyprus Ltd.	HE 338 570	Nicosia	100
Hoist Cyprus Properties Ltd.	HE 423 727	Nicosia	100
HF Cyprus Properties I Ltd.	HE 424 747	Nicosia	100
HF Cyprus Properties II Ltd.	HE 424829	Nicosia	100
MARTE SPV S.r.l.	4634710265	Conegliano	100
Marathon SPV S.r.l.	05048650260	Conegliano	100
Giove SPV S.r.l.	05089700263	Conegliano	100
Hoist Italia S.r.l.	12898671008	Rome	100
Nais Uno Reoco S.r.l.	14564671007	Rome	100
Hoist I NS FIZ (2)	RFI702	Warsaw	100
Hoist III NS FIZ (2)	0000292229	Warsaw	100
Hoist II NS FIZ (2)	RFi 1617	Warsaw	100
BEST III NS FIZ (2)	RFI623	Gdynia	50
Hoist Kredit Ltd. (1).	7646691	London	100
Hoist Hellas S.L.D.S.A.	137777901000	Athens	100
PQH Single Special Liquidation S.A. (3)	138353201000	Athens	33
Hoist Finance Spain S.L.	B87547659	Madrid	100
Optimus Portfolio Management S.L.	B86959285	Madrid	100
Hoist Finance Romania S.r.l.	41830400	Bucharest	100
Hoist Finance Craiova S.r.l.	46632099	Bucharest	100
Hoist Finance Austria GmbH	FN544345h	Mooslackengasse	100
Zugspitze Ireland Designated Activity Company (4)	720457	Dublin	100
Hoist TFI S.A	8982271637	Wroclaw	100
Corelsa ReoCo, S.L.	B13822242	Madrid	100

(1) Non-operating companies to be liquidated or disposed.

(2) Non-standardised securitisation funds of which Hoist Finance holds investment certificates.

- (3) The company is a part of a consortium, consisting of Hoist Finance AB (publ), Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A.
- (4) The only share in the company is held by trustee APEX TSI Limited.

Business overview

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

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

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

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

History

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

1994	Hoist Finance recognised that the stock of NPLs in Sweden was growing due to the financial crisis in Sweden in the early 1990s and anticipated the increased need for financial institutions to manage their balance sheets and focus on their core businesses. Hoist Finance converted into a credit management company, refocused its business to concentrate on investing in NPL portfolios in Sweden and divested all other activities.
1994-1997	Hoist Finance completed several large portfolio investments in Sweden.
1996	The Issuer was authorised by the SFSA under the new rules for credit companies.
1997	Hoist Finance established its presence in Germany through a number of debt investments managed out of its Swedish operations.
1998	The Issuer was listed on the O-list of the Stockholm Stock Exchange.
1999	Hoist Finance acquired Citibank's collection platform in Bremen, Germany, including 90 full time employees and a portfolio with more than 150,000 claims.
2001	Hoist Finance entered the French market. Similar to Hoist Finance's market entrance in Germany, this was done through a number of debt investments.

2003	Hoist Finance divested its operations in Sweden to focus on markets believed to have the greatest growth opportunities.
2004	The Issuer was de-listed from the O-list of the Stockholm Stock Exchange.
2006-2007	Hoist Finance expanded its operations into Belgium and the Netherlands through the acquisitions of its first portfolios in these countries. Hoist Finance expanded further in Germany through the acquisition of Union Inkasso GmbH, the German debt collection subsidiary of SEB, including one collection platform, 80 full time employees and a mixed portfolio of secured and unsecured claims.
2009	Hoist Finance's Swedish retail deposit offering, HoistSpar, was launched and covered by the Swedish state-provided deposit guarantee scheme.
2011	Hoist Finance completed a major NPL investment in Poland through a 50/50 joint venture with its primary debt collection servicing partner in the country, Best S.A. Hoist Finance also completed its first portfolio investments in Italy and the UK.
2012	Hoist Finance acquired the Manchester-based debt collection company, Robinson Way, including 256 full time employees, two collection platforms, a large data warehouse and a significant portfolio of debt claims.
2013	Hoist Finance continued its expansion in the UK by acquiring the Lewis Group. At the time of the acquisition, the Lewis Group operated from three collection platforms with 330 full time employees across the UK (including certain consultants), had developed a large data warehouse and invested in a substantial NPL portfolio. Hoist Finance completed a major portfolio investment in the Netherlands and established a collection platform in Amsterdam. Hoist Finance made another significant portfolio investment in Poland. Hoist Finance re-affirmed its position in the Austrian market with a number of portfolio investments. The Issuer issued a senior unsecured bond and a subordinated unsecured bond, both in SEK, which were listed on Nasdaq Stockholm.
2014	Toscafund, an asset manager based in London and specialising in global financials, invested in Hoist Finance's operations through a private placement. Hoist Finance engaged in further strategic expansion in Italy through the acquisition of TRC's operations, one of Hoist Finance's long-term debt servicing partners, and in Poland, through the acquisition of Navi Lex (name changed to Hoist Polska), one of Hoist Finance's debt servicing partners.
2015	The shares of the Issuer were listed on Nasdaq Stockholm. Acquisition of Compello in the UK. The acquisition included a diversified banking portfolio and an established and proven collection platform with 178 full time employees. Acquisition of a NPL portfolio of assets relating to small and medium-size enterprises from Banco Popolare in Italy. The portfolio consisted of approximately 9,000 claims with a nominal value of EUR 950,000,000.
2016	Hoist Finance entered into a strategic partnership as part of a consortium, consisting of the Issuer, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities. Total assets of the initial NPL portfolio amounted to approximately EUR 9 billion and covered all major asset classes. The Issuer's Euro Medium Term Note Programme was established. The Issuer received a Ba1 rating from Moody's. Hoist Finance continued its geographic expansion by acquiring its first portfolio in the Spanish market in June and also strengthened its position in Spain by acquiring the Madrid based master servicing company Optimus. The Issuer issued EUR 30,000,000 Additional Tier 1 (AT1) capital.
2017	The Issuer's rating from Moody's was raised to Baa3. Introduction of a deposit offer in Germany.
2018	Merger of Hoist Finance and Hoist Kredit was finalised. The Issuer issued EUR 40,000,000 AT1 capital. The Issuer launched a SEK 2,500 million Swedish Commercial Paper Programme. Hoist Finance completed a SEK 568 million directed new share issue. Hoist Finance signed an agreement to acquire Italian credit management company Maran S.p.A. Hoist Finance acquired a EUR 2 billion Greek portfolio of NPLs.
2019	Hoist Finance completed an acquisition of a PLN 400 million portfolio from Polish debt management and collection company GetBack S.A. Hoist Finance completed a securitisation of a portfolio of Italian unsecured NPLs with a portfolio size of EUR 225 million. Hoist Finance completed a rated securitisation of a portfolio of Italian unsecured NPLs with a portfolio size of EUR 337 million, and at the same time, the EUR 225 million securitisation was unwound and issued notes redeemed early in full. Hoist Finance acquired a non-performing mortgage portfolio with an outstanding balance of EUR 375 million. Hoist Finance entered into an agreement with the global technology consulting and digital solutions company, Larsen & Toubro Infotech Limited, on outsourcing of services relating to information technology, selected application development and maintenance.
2020	Hoist Finance issued EUR 40,000,000 AT1 capital. Hoist Finance launched a new sustainability strategy setting out Hoist Finance's ambition to support new innovations to improve financial access and services. The Issuer launched a new operating model to support customer-centric and efficient operations.

2021	Hoist Finance concluded a securitisation programme partnership agreement with an external investor and completed the inaugural transaction under that securitisation programme. Hoist Finance announced a SEK 351 million negative impairment reflecting the prolonged nature of the COVID-19 pandemic and increased uncertainty around the expected recovery. Introduction of GBP savings accounts available to UK customers.
2022	Hoist Finance completed an acquisition of a EUR 99.9 million NPL portfolio in Greece. Hoist Finance completed a divestment of its UK credit management subsidiary including unsecured portfolios.
2023	Hoist Finance entered into an agreement with Lowell to acquire a Swedish portfolio of NPLs, with a total investment of SEK 1.2 billion.

Business areas/segments

Debt investments

Debt investment transaction types

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

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

Funding of debt investments

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

In the first quarter of 2021, Hoist Finance concluded a securitisation programme partnership agreement with an external investor (the **Securitisation Programme**), which facilitates new portfolio investments up to approximately EUR 1 billion on a pan-European basis and where the external investor has made a commitment to invest EUR 150 million in subordinated tranches issued in the structure. The Securitisation Programme is structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR. The inaugural portfolio acquisition and notes issuance under the Securitisation Programme was completed at the end of the first quarter of 2021, and the Securitisation Programme was extended by another six months in March 2023. Securitisation is an integrated part of Hoist Finance's risk and balance sheet management for regulatory and capital optimisation purposes. Hoist Finance has previously completed stand-alone securitisation transactions for these purposes.

Data Warehouse and analytical steering

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

The debt investment process

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

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

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

Collections on acquired portfolios

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

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

Savings products

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

gives the Issuer access to a substantial source of liquidity. This solid liquidity position has been essential in enabling Hoist Finance's portfolio investments in recent years.

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

The Issuer also offers savings accounts in Germany and the UK, through one of the largest deposit savings platforms in Europe. The Issuer's depositor base in Germany had, as of 31 December 2022, a total deposit base of EUR 972.2 million, corresponding to a book value of SEK 10.8 billion⁷. The Issuer's depositor base in the UK had, as of 31 December 2022, a total deposit base of GBP 82.3 million, corresponding to a book value of SEK 1 billion⁸.

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

Certain financial information

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

ERC

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

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

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

⁷ EUR 1 = SEK 11.1283

⁸ GBP 1 = SEK 12.5811

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

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

Gross 180-month ERC

As of 31 December

<i>SEK million</i>	2022	2021	2020
<i>ERC⁽¹⁾</i>	32,946⁽²⁾	32,900	32,763

(1) Excluding run-off consumer loan portfolio, performing loan portfolios, and portfolios held in the Polish joint venture.

(2) 2022 adjusted for discontinued operations and comparative periods including discontinued operations

Return on equity

Return on equity is the Group’s net profit for the year adjusted for accrued unpaid interest on AT1 capital, divided by equity, adjusted for AT1 capital reported in equity, calculated as the quarterly average for the financial year. Return on equity is one of four financial targets, and the Group targets a return on equity exceeding 15 per cent. in order to ensure the right balance between growth, profitability and capital efficiency.

Return on equity calculations, adjusted for items affecting comparability

	Full year	Full year
<i>SEK million</i>	2022	2021
Equity	5,744	4,941
Additional Tier 1 capital	(1,106)	(1,106)
Reversal of interest expense paid for AT1 capital	95	90
Reversal of items affecting comparability ⁽¹⁾	-	106
Total equity	4,733	4,031

Total equity (quarterly average)⁽²⁾	4,234	3,998
Profit for the year	801	(117)
Reversal of items affecting comparability ⁽¹⁾	-	106
Estimated annual profit	801	(11)
Adjustment of interest on AT1 capital	(99)	(90)
Adjusted annual profit	702	(102)
Return on equity (%)	17	(3)

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

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

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

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

Cash EBITDA

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

Cash EBITDA

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

Geographic presence

Hoist Finance is present in 13 countries across Europe. When a licensed entity wishes to conduct licensed activities in other jurisdictions, this can be done either by establishing a branch or by conducting business itself in such new jurisdiction. The latter is referred to as “passporting the license”. The Issuer has established branches in Belgium, the Netherlands, Germany, France, Romania, Poland, and the UK and is thereby subject to scrutiny from local regulators in these jurisdictions in addition to the supervision conducted by the SFSA. The Issuer has also passported its license to conduct financial business into France, Greece, Germany, Austria, and Cyprus, and the SFSA has notified the local regulators in each of these jurisdictions that the Issuer is, will be or is evaluating the possibility of, conducting business there. A large part of the Issuer’s business is conducted through its subsidiaries and branches.

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

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

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

Sweden

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

UK

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

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

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

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

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

France

Hoist Finance entered the French market in 2001.

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

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

Spain

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

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

Germany / Austria

Hoist Finance has operated in Germany since 1997.

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

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

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

Poland

Hoist Finance has been present in Poland since 2011.

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

Belgium / the Netherlands

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

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

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

Italy

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

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

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

Greece

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

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

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

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

Romania

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

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

Cyprus

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

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

Strategy

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

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

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

Investment management

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

Loan management

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

Capital and funding

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

Insurance

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

Internal governance and control

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

In the first line of defence, the Board of Directors of the Issuer decides on the objectives, strategies and risk levels to be applied in Hoist Finance's operations, including issuing policies on Hoist Finance's operational governance. Hoist Finance's executive management team (the **Executive Management Team**) manages and delegates these decisions to non-executive and mid-level management who, in turn, are responsible for

implementing these decisions across Hoist Finance’s operations. There are reporting procedures in place all the way from local level up to management and board level. These reporting procedures serve to identify and elevate any risk management and compliance issues and thus ensure that Hoist Finance’s internal governance is effective and that the execution of Hoist Finance’s objectives and strategies is carried out in compliance with applicable laws and regulations.

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

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

Board of directors

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

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

Lars Wollung

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

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

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

Peter Zonabend

Born 1980. Board member since 2021.

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

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

Camilla Philipson Watz

Born 1975. Board member since 2022.

Principal education: Master of Laws, Stockholm University.

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

Bengt Edholm

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

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

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

Christopher Rees

Born 1972. Board member since 2022.

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

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

Rickard Westlund

Born 1966. Board member since 2022.

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

Other on-going principal assignments: CEO Ropo Capital.

Committees

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

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

The main task of the Board Investment Committee is to monitor the quality and valuation of Hoist Finance's portfolio investments, investment processes and portfolio valuations. The Board Investment Committee shall verify certain decisions made by the Management Investment Committee and the Revaluation Committee.

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

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

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

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

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

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

Executive Management Team

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

Harry Vranjes

Chief Executive Officer

Born 1970. Hoist Finance employee since 1 January 2023.

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

Christian Wallentin

Chief Financial Officer and Deputy Chief Executive Officer

Born 1975. Hoist Finance employee since 2021.

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

Fabien Klecha

Chief Investment Officer

Born 1984. Hoist Finance employee since 2012.

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

Jelle Dekkers

Chief Business Development Officer

Born 1981. Hoist Finance employee since 2017.

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

Katarina Meyer

Chief People Officer

Born 1968. Hoist Finance employee since 2016.

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

Sofia Buhlin

Interim Chief Communications Officer

Born 1984. Hoist Finance employee since 2023.

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

Makram Chebli

Country Manager France

Born 1981. Hoist Finance employee since 2013.

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

Sarah Salmona

Country Manager Greece

Born 1976. Hoist Finance employee since 2017.

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

Christian Steinebach

Country Manager Germany

Born 1964. Hoist Finance employee since 2019.

Principal education: Master of Business Administration / Interpreter.

Andrea Giovanelli

Country Manager Italy

Born 1970. Hoist Finance employee since 2023.

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

Miguel Sotomayor

Country Manager Spain

Born 1973. Hoist Finance employee since 2019.

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

Mateusz Poznanski

Country Manager Poland

Born 1972. Hoist Finance employee since 2020.

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

Johan Wigh

Chief General Counsel

Born 1975. Hoist Finance consultant since 2023.

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

Cecilia Stråle

Chief Compliance Officer

Born 1977. Hoist Finance employee since 2020.

Principal education: Master of Laws, University of Uppsala.

Simona Sankauskaite

Chief Risk Officer

Born 1980. Hoist Finance employee since 2018.

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

Mihails Mihailovs

Chief Operating Officer

Born 1982. Hoist Finance consultant since 2023.

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

Conflicts of interest

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

Material contracts

The Issuer has not entered into any material contracts, which are not entered into in the ordinary course of its business, which could result in any member of the Group being under any obligation or entitlement that is material to the Issuer's ability to meet its obligations to the holders of the Notes.

Business address

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

Auditors

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

TAXATION

SWEDEN

The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Offering Circular and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest. Specific tax consequences may be applicable to certain categories of corporations, e.g. investment companies and life insurance companies, not described below. In addition, the summary does not address Notes that are held on an "investment savings account" (Sw. investeringssparkonto) that are subject to a specific tax regime. Investors should consult their professional tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of double taxation treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of any Notes should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes.

Under Swedish tax law, a capital gain on a sale of Notes by a non-resident holder will not be subject to Swedish income tax unless the non-resident holder of Notes carries on business activities in Sweden through a permanent establishment to which the Notes are attributable.

Private individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments, depending on the classification of the particular financial instrument for Swedish income tax purposes, if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. This liability may, however, be limited by tax treaties between Sweden and other countries.

Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) that are resident holders of any Notes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable.

Amortisation of principal is not otherwise subject to Swedish income tax. Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of notes. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a

deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) is normally withheld on such payments at a rate of 30 per cent.

FATCA DISCLOSURE

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Sweden) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 17) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (the **FTT**) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 22 June 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement also provides that the obligations of any Dealer to purchase Notes under any agreement for the issue and purchase of such Notes is subject to certain conditions, and any Dealer which agrees to subscribe for Notes will be entitled in certain circumstances to be released and discharged from such obligations prior to the closing of the issue of such Notes. Such circumstances include (but are not limited to) the event that certain conditions precedent are not delivered or met to the relevant Dealers' satisfaction. In this situation, the issuance of such Notes may not be completed and investors will have no rights against the Issuer or the Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented

and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

UK

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Sweden

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (A) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Member State and such competent authority has certified to the competent authority in Sweden that the prospectus has been approved with respect to the Prospectus Regulation; or (B) an exemption from the requirement to prepare a prospectus is available under the Prospectus Regulation or the Swedish Act with Supplementary Provisions to the Prospectus Regulation.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms, or Pricing Supplement, as the case may be, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes was originally duly authorised by a resolution of the Board of Directors of Hoist Kredit AB (publ) dated 12 May 2016. On 15 March 2017, the Board of Directors of Hoist Kredit AB (publ) resolved to increase the Programme amount from EUR 750,000,000 to EUR 1,000,000,000. As of 2 January 2018, Hoist Kredit AB (publ) merged with the Issuer whereby the Issuer substituted Hoist Kredit AB (publ) as principal debtor under the Notes by way of universal succession. The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 16 June 2023.

Listing of Notes

It is expected that each Tranche of the Notes which is to be admitted to the Official List and to trading on the Euronext Dublin Regulated Market will be admitted separately as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the Official List and trading on its regulated market. The approval of the Programme in respect of the Notes was granted on or about 22 June 2023.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection on <https://www.hoistfinance.com/investors/>:

- (a) the articles of association (with an English translation thereof) of the Issuer; and
- (b) the Trust Deed and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons.

In addition, a copy of this Offering Circular, any future offering circulars or supplements to this Offering Circular (and any documents incorporated herein or therein by reference) and each Final Terms relating to Notes which are listed on the Euronext Dublin Regulated Market will be available on <https://www.hoistfinance.com/investors/>.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes). If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms or Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer since 31 March 2023 and there has been no material adverse change in the prospects of the Issuer since 31 December 2022.

Litigation

Neither the Issuer nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Issuer and its subsidiaries taken as a whole.

Auditors

The auditors of the Issuer are Ernst & Young AB, who have audited the Issuer's accounts, without qualification, in accordance with IFRS for each of the two financial years ended on 31 December 2021 and 31 December 2022.

The reports of the auditors of the Issuer are included or incorporated in the form approved by the auditors of the Issuer.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes issued under the Programme and is not itself seeking admission of any Notes issued under the Programme to the Official List of Euronext Dublin or to trading on the Euronext Dublin Regulated Market for the purposes of the Prospectus Regulation.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering

into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's action

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

Language of this Offering Circular

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

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