

This prospectus was approved by the Swedish Financial Supervision Authority on 2 December 2024. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.



SERAFIM FINANS AB (PUBL)

Prospectus for admission to trading of

SEK 150,000,000

Floating Rate Additional Tier 1 Notes with ISIN SE0022760971

Important information

This prospectus (the “Prospectus”) has been prepared by Serafim Finans AB (publ) with registration number 556654-9191 (the “**Issuer**” or together with the companies within then group (unless otherwise indicated by the context) “**Serafim**” or the “**Group**”), in relation to the application for admission to trading of the Issuer’s SEK 150,000,000 Floating Rate Additional Tier 1 Notes with ISIN SE0022760971 issued on 9 October 2024 (the “**Notes**”) on the corporate bond list of Nasdaq Stockholm AB (“**Nasdaq Stockholm**”).

Words and expressions defined in the terms and conditions for the Notes (the “**Terms and Conditions**”) have the same meanings when used in this Prospectus, unless expressly stated or otherwise follows from the context. “EUR” refers to Euro, and “SEK” refers to Swedish kronor. “M” refers to million(s) and “bn” refers to billion(s).

Notice to investors

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the “**SFSA**”, Sw. Finansinspektionen) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. The publication of this Prospectus does not imply that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Prospectus Regulation.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of admitting the Notes to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act).

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’s auditor. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

Forward-looking statements and market data

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

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

The Prospectus may contain market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

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RISK FACTORS

In this section, material risk factors are illustrated and discussed, including the risks relating to the Issuer and its business, financial risks, legal and regulatory risks, and risks relating to the notes. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus. The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

RISKS RELATING TO THE ISSUER AND ITS BUSINESS

Risks relating to the macroeconomic factors, general market conditions and geopolitical factors

The Issuer offers financial solutions to companies and consumers in Sweden and is currently looking to expand its operations to Norway and Finland. The Group is exposed to general market conditions and the level of economic activity in the countries in which it operates, as such conditions and activity affect its customer base. The economic conditions globally and in the markets in which the Issuer operates may be affected by, among other things, unemployment levels, household disposable income, household indebtedness, the state of the housing market, housing prices, production costs, cost of commodities, foreign exchange markets, inflation, the availability and cost of credit and the liquidity of financial markets or market interest rates. Additionally, geopolitical tensions and conflicts may create a state of uncertainty in the global economy, including the capital markets. A slowdown in economic growth, volatility and/or uncertainty are factors that may impact the Issuer's customers' operations and thus, in turn, have a negative impact on the demand for the Issuer's products. Further, any adverse change in the economic conditions for the Issuer's customers may increase the risk of current and future debtors under loans issued by the Company not being able to pay debts as they fall due, which in turn may require the Company to reassess the credit risk associated with such customers. If the demand for the Issuer's products and services decreases, it could negatively affect the Group's results of operations and, in turn, financial condition.

The Swedish market is the most material market for the Issuer in terms of geographical presence, and nearly all of its corporate customers are based in Sweden and all of its consumer customers are domiciled in Sweden. Any sustained adverse development of the general macroeconomic conditions in Sweden would likely lead to a decrease in the demand for certain products and services offered by the Issuer, which could result in lower profitability and a deterioration of its financial condition. Furthermore, a considerable part of the Issuer's operations includes lending to customers within the real estate sector and a decline in the new construction projects or real estate transactions, housing prices and increased interest rates may have an adverse effect on the financial condition of the Group.

Credit and counterparty risks

Credit risk is the potential risk of financial loss arising from the failure of a counterparty to fulfil its financial obligations as they fall due and such loss is not covered by any security. The core business of the Issuer is lending, hence credit risk is an active component in its business on a day-to-day basis. In addition, when and if the Issuer expands to new markets in other Nordic countries, the aforementioned risk increases since the existing credit models of the Issuer may lack historical data when entering a new market.

The Issuer's main operations are divided into three (3) segments: the corporate segment, the real estate segment, and the consumer segment. In the corporate and real estate segment, the Issuer grants loans to small and medium-sized enterprises in all sectors, which account for approximately 95 per cent. of the Issuer's total lending volume.

The Issuer's models for credit assessment follow the Issuer's credit policy and is carried out pursuant to applicable laws and regulations. The credit assessment process comprises a combination of policy rules, referral rules and calculation of affordability. The Issuer uses Bisnode's scoring model for credit assessment of its customers and collects certain data in pursuance thereof. There is a risk that the estimates on which models for calculating future potential impairments and losses are based are inaccurate, which risks leading to increased credit losses and impairments. The Issuer is further dependent on competent staff to undertake the necessary credit assessment and there is a risk that human error or fraudulent behaviour may compromise the credit assessment, which may have a negative impact on the Group's business and financial condition.

As of 30 September 2024, the Issuer's total lending credit exposure amounted to MSEK 2,972. In total, the Issuer reported MSEK 5,1 in net credit losses for the last 9 months ending 30 September 2024. Credit risk arises in conjunction with loans and loan commitments, as well as in connection with value changes of any pledged assets entailing that these no longer cover the Issuer's claim. Credit risks also entail concentration risks, which are more likely to materialise in connection with large exposures to individual counterparties, regions or industries. Counterparty risk also comprises the risk that the Issuer's financial counterparties may fail to fulfil their contractual obligations under, for instance, repurchase agreements (repos) and derivative contracts, which could result in the Group failing to meet liquidity needs, which in turn could adversely affect regulatory compliance, as well as bring about a risk that the Group cannot recoup losses due to counterparty default. The derivative transactions are inherent in the Issuer's business in connection with hedge financing in currencies other than SEK. Risks arising from the credit quality of counterparties and the recoverability of loans and amounts due from counterparties in derivative transactions are inherent in the Issuer's businesses.

Adverse changes in the credit quality of the Issuer's customers, counterparties or any security that has been provided as collateral could affect the recovery and value of the Issuer's assets, which may in turn require an increase in provisions made for bad and doubtful debts and other provisions and result in adverse effects on the Group's results of operations and financial condition.

Risks relating to competition in the financial service industry

The Issuer offers lending products to, inter alia, small and medium-sized enterprises and its services also encompass invoice factoring, invoice servicing, debt collection, business loans and property financing. It also offers consumer credit, the purpose of which is to enable individuals to finance private healthcare and related services in the private sector. The markets in which the Issuer operates are characterised by a high degree of competition and innovation, and there are well-established and sophisticated full-service banks and niche loan providers that have prominent competitive positions. The Issuer and its competitors are increasingly taking advantage of new technologies to streamline and optimise their business and offer a digital customer experience, and there can be no assurance that the Issuer will keep pace with its competitors. The Swedish financial sector has been, and is still, undergoing a digital transformation, which may make competitors' customer offering in the relevant areas increasingly competitive to, and comparable with, the Issuer's offering.

There is a risk that some of the competitors will develop competitive advantages over the Issuer, such as the ability to offer a wider range of services to customers. If the Issuer is unable to successfully compete with other competitors, demand for the Issuer's products and services may decrease, and the

Issuer may need to adjust the pricing of its products by reducing the interest rates charged in order to maintain its competitiveness, which would adversely affect the Issuer's net interest margin.

Risks relating to collateral provided for secured loans

Since a considerable share of the Group's customers are borrowers operating in the real property sector, loans granted by the Issuer to such borrowers are typically secured by pledges over mortgage certificates issued in real properties located in Sweden. In order to be able to fully recover losses in case of borrowers' default under the relevant loans, the Issuer is dependent on that the value of such real property constituting security under the loans is maintained at levels corresponding to the secured claim.

Should there be a significant downturn in the value of real property in the Group's geographical markets, such downturn could result in a deterioration in credit quality and the recoverability of secured loans granted by the Issuer. The property value may vary over time depending on various factors affecting the real property sector, and there can be no assurance for a stable or positive future development of the property securing such loans mentioned in this risk factor. Should the value of real property substantially decline, the value of the security assets would decline, resulting in a risk that losses cannot be recovered in case of borrowers' defaults under the loans, which in turn could impact the credit quality in the Group's credit portfolio. The Issuer is required to monitor its credit risks on an ongoing basis in order to adequately assess the risks related to security provided, including the potential value of the security assets. Adverse changes in the credit quality could require the Group to increase provisions for bad and doubtful debts and other provisions which in turn would have an adverse effect on the Group's business, results of operations and financial condition. Furthermore, changes to the credit risks assigned to a customer may impact the Issuer's possibility to maintain competitive pricing in relation to loans provided and may adversely impact the assessment of risk appetite under applicable banking regulations. Should the Issuer's credit losses increase due to principal and interest under defaulting loans not being recoverable, it would have an adverse effect on the Group's results of operations and financial condition.

Risks relating to enforcement of security

The Issuer provides secured loans with real property as collateral, which entails certain inherent risks relating to, inter alia, risks relating to claw-back and valuation of security. In the event of a default, enforcement of the security interests may be complicated and time-consuming, potentially leading to significant legal and administrative costs. The process of selling real property to satisfy claims may be subject to lengthy legal procedures and unfavourable market conditions, which could affect the recovery value. Additionally, there may be legal challenges or disputes concerning the validity, priority, or enforceability of the security interests. Such complexities could delay or reduce the Issuer's recovery in the event of enforcement, adversely affecting the Group's financial condition.

Risks relating to the Issuer's reputation

The Issuer's reputation is key in order for the Issuer to maintain a favourable market position and hence its future success. Consequently, the Issuer is dependent on maintaining and developing its relationship with, and reputation among, its customers, counterparties and other stakeholders (including capital markets participants). The Issuer operates in a heavily regulated industry where integrity, trust and confidence of customers are paramount. The reputational risk for the Issuer is primarily related to the Issuer failing to meet the customers' expectations regarding the Issuer's products, the delivery of its services and the ability to meet regulatory and customer protection obligations related to these products and services. Further, the Issuer is under the supervision of the Swedish Financial Supervisory Authority (the "SFSA") and, thus, subject to increased exposure to any potential mismanagement or misconduct by the Issuer's employees or consultants. Reputational damage may have material adverse effects on

the Issuer's operations and could affect the Issuer's ability to attract and retain customers and key employees as well as to maintain competitiveness.

Risks relating to the Issuer's growth and geographic expansion

The largest market for the Issuer is the Swedish business credits and consumer loans market which corresponded to 100% per cent. of the Issuer's revenues as per the financial year 2023. The Issuer's growth strategy involves a contemplated geographic expansion, mainly to other Nordic countries and the Issuer has obtained licenses to operate in Finland and Norway. The Issuer has during 2024 initiated a geographical expansion into the Norwegian and Finnish markets and the intention is to accelerate such expansion during the course of 2025. There is a risk that the Issuer will be unable to execute on its contemplated geographic expansion plan or achieve a similar track record in respect of operations and profit as in Sweden due to, among other things, difficulties in addressing adequate customers and customer groups and correct pricing as well as costs related to setup of new processes and employing new staff. The Issuer's ability to continue its growth trajectory depends on a variety of factors, such as expansion of its customer base, price levels and corporate culture. Any significant failure would have a material adverse effect on the Issuer's expansion and growth and thus the Group's results of operations and financial condition.

Risks relating to intellectual property

In order to carry out its business, the Issuer relies on external technical solutions and systems, some of which are retrieved through licensing from third parties, and may from time to time rely on technology, know-how and other intellectual property assets held or restricted by third parties. There is a risk that the Issuer infringes (knowingly or otherwise) such third party intellectual property rights, which could result in unforeseen litigation costs, penalties or other expenses which jointly or severally could have a material adverse effect on the Group's results of operations and reputation.

Reliance on outsourcing and third party service providers

The Issuer's business relies in part on certain services and business processes being outsourced and/or provided by external third party service providers. For example, the Issuer has outsourced its control functions for risk and compliance, and it also uses third party IT-systems for e.g., KYC, anti-money laundering and anti-terrorist financing compliance processes. There is a risk that the Issuer is unable to replace such third party service providers or outsourcing partners in a timely manner, on commercially reasonable terms, or at all. Seeking alternative contractual relationships could also be costly and time-consuming and could result in business interruptions. Loss of any key relationships would have a material adverse effect on the Group's business, results of operations and financial condition.

Furthermore, failures attributable to the Issuer's third party service providers and outsourcing partners, for instance with respect to failure to comply with applicable laws and regulations, such as data protection requirements, or failure to otherwise provide their agreed services to the Issuer in a timely manner or at all, could result in material deviations from the Issuer's standards and procedures and ultimately adversely affect the Issuer's services and products provided to the Issuer's customers, which in turn would adversely affect the Group's business and reputation. Moreover, despite having implemented processes and procedures aimed at identifying and managing risks when on-boarding new outsourcing partners and other third party service providers, as well as monitoring how outsourcing partners and other third parties operate their businesses, and having established exit plans, there is a risk that such processes and procedures do not detect the occurrence of any violations, which would exacerbate the effects of such violations. The degree to which any negative consequences related to third party service providers may affect the Group is uncertain, which constitutes a highly significant risk to the Group's reputation and business.

Risks relating to IT-failure and cyberattacks

The Issuer's operations rely on the secure processing, storage and transmission of confidential and private information in computer systems and networks, which is vulnerable to unauthorised access or malicious hacking, computer viruses or other malicious code or external attacks. The Issuer's business is thus dependent on its IT-systems to serve customers, support the Issuer's critical business processes, ensure complete and accurate processing of financial transactions, and to ensure compliance with applicable laws and regulations.

Various threats to the Issuer's information security systems are likely to increase, as cyber-criminals, rogue states and other intruders are becoming increasingly sophisticated and increase their scope of potential cyberattacks. Cyberattacks or fraudulent actions may involve employees or consultants of the Issuer or third party service providers or partners with the Issuer which are partly out of the Issuer's control but critical to the Issuer's operations. Disruptions in the Issuer's IT-systems may further be caused by several other factors, such as faulty software updates or other technical disruptions or failures at supplier level. The occurrence of any of these events could have an adverse effect on the Group's business and financial condition.

The occurrence of any events describe above may not be adequately covered by the Issuer's business continuity and disaster recovery planning. A significant degradation, failure or disruption of the Issuer's IT-systems or any other systems in the trading process could cause significant downtime to core systems, data losses, data leaks and issues with completing customer transactions. Additionally, if the Issuer would fail to update and expand its systems adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards, this would accentuate the IT-related risks and thus further increase the negative outcome of the Issuer. There is also a risk that measures taken by the Issuer in order to manage cyber-security risks, or protective measures to ensure the continued functionality of the Issuer's IT infrastructure, may be insufficient. The materialisation of any of the above risks could have an adverse effect on the Group's business and financial condition.

Risks relating to key personnel and employees

The Issuer is dependent on its employees and key personnel in order to sustain, develop and grow its business and there is a risk that these employees and/or key personnel will not remain with the Issuer. Any loss of key personnel or an inability to attract, retain and motivate employees required for continuation and expansion of the Issuer's activities would have an adverse effect on the Group's business and financial condition.

In addition, the Issuer's ability to develop its business and to compete effectively is also dependent on its ability to, where necessary, recruit competent and experienced employees, particularly in light of the rapid pace of technological advances and increasing complexity of financial markets and their regulatory landscape. The complex regulatory environment entails a high demand for trained and experienced personnel throughout the organisation to ensure compliance with applicable external and internal rules and to respond to changes in such regulations. There is a risk that the Issuer will not be able to recruit and retain employees with the necessary skills to keep up with technological developments and the dynamic regulatory environment, which could have an adverse effect on the Issuer's growth possibilities and, in turn, the Group's future business and financial condition.

Risks relating to legal proceedings, claims and disputes

From time to time, the Issuer may be subject to legal proceedings, claims and disputes in Sweden and other markets in which it operates, mainly consisting of customers contesting the Issuer's claim. The Issuer operates in a regulatory environment and business segments that expose it to potentially significant regulatory risks caused by requirements of compliance with complex regulations and, at

times, a negative sentiment towards customer lending. Furthermore, proceedings relating to the Issuer's regulated businesses may expose it to increased regulatory scrutiny and oblige it to accept constraints that involve additional costs or otherwise put the Issuer at a competitive disadvantage. Such claims, disputes and proceedings are often subject to several uncertainties and their outcome is often difficult to predict, particularly in the earlier stages of a case or an investigation. There is further a risk that the results of any investigation, proceeding, litigation or arbitration brought by regulatory authorities or governments are difficult for the Issuer to predict. In addition, there is a risk that an adverse decision against the Issuer could result in significant fines, damages and/or negative publicity, which could have an adverse effect on the Group's business and results of operations.

FINANCIAL RISKS

Risks relating to liquidity and financing

The Issuer is exposed to liquidity risks in its capacity as credit institution supervised by the SFSA, including a statutory requirement to maintain sufficient liquidity to be able to meet its obligations as they fall due. Liquidity risk is the risk that the Issuer will not be able to meet its payment obligations on their maturity at all or without significant cost increases. Short term liquidity risk measures the risk of the Issuer being negatively impacted in the short term by lack of liquidity, while structural liquidity risk is a measure of the mismatch between the maturity of assets and liabilities, which risks leading to a lack of liquidity in the longer term. The inability of the Issuer to anticipate future liquidity and provide for unforeseen decreases or changes in funding could have a consequence on the Issuer's ability to meet its payment obligations when they fall due and thus result in an investor not being paid in a timely manner. Serious or systematic deviation may lead to the SFSA determining that the Issuer's business does not satisfy the statutory soundness requirements for credit institutions and could result in the SFSA imposing sanctions against the Issuer.

Deposits from the general public constitutes the main source of funding for the Issuer. As of 30 September 2024, the Issuer's total balance sheet liabilities amounted to MSEK 3,533, out of which deposits from the general public comprised the largest part, totalling MSEK 3,194. The savings accounts product offering is typically structured with a commitment period ranging from three-months to three-years meaning that funds cannot be withdrawn prior to the expiry of such period without paying a break fee. However, the Issuer also offers savings accounts with unlimited withdrawals. Should a majority of the deposits be withdrawn simultaneously or during a short period of time (i.e. a "bank run"), this would adversely affect the Issuer's short-term liquidity as it would require a significant repayment of deposits on demand. Should the Issuer fail to attract new deposit customers or fail to replace withdrawing customers' deposits, it would materially and adversely affect the Issuer's ability to provide loans to potential customers or sustain growth in its operations. Consequently, a substantial reduction in terms of deposits from the general public would adversely affect the Issuer's growth in both existing and potential new markets, which could have a material adverse effect on the Group's results of operations and financial condition.

Risks relating to interest rate

The Issuer is subject to interest rate fluctuations. Changes in interest rate levels, yield curves and spreads could affect the Issuer's lending and deposit spreads. The Issuer is exposed to changes in the spread between the interest rates payable by it on deposits or its funding costs, and interest rates that it charges on loans to its customers. While the interest rates are payable by the Issuer on deposits and other funding, as well as the interest rates that it charges on loans to customers, are primarily variable, there is a risk that the Issuer will not be able to re-price its variable rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short or medium term. Changes in the competitive environment

also risk affecting spreads on the Issuer's lending and deposits. Accordingly, the Issuer is to a significant extent exposed to variation in interest rates affecting its interest payment received and interest expense paid, respectively, and interest rate risks thus present a significant risk to the Issuer's cost levels, and results of operations.

LEGAL AND REGULATORY RISKS

The Issuer's dependency on license to conduct its business

The Issuer is a credit market company with a license issued by the SFSA to conduct financing business in accordance with the Swedish Banking and Financing Act (Sw. Lag (2004:297) om bank- och finansieringsrörelse). The SFSA conducts its supervision in accordance with applicable laws and regulations, which may include comprehensive inquiries and investigations of the Issuer's business. Should the SFSA determine that the Issuer is in breach of any applicable laws or regulations, it could ultimately cause the SFSA to intervene by way of e.g., dismissing board members, issuing injunctions, restrictions, official remarks and warnings, and in severe cases revoke the Issuer's license to conduct its business. Any intervention by the SFSA could have an adverse effect on the Issuer's reputation, which could affect its operations and financial condition. Furthermore, there is a risk that the Issuer may need to seek further licenses, authorisations or approvals from the SFSA in the future, which could require the Issuer to deploy additional resources, make additional investments and take additional measures to ensure compliance, all of which could affect the Group's business and results of operations.

The Issuer is dependent on its license with the SFSA to carry out its business. If the Issuer fails to conduct its business in compliance with applicable laws and regulations, there is a risk that the license could be restricted or revoked, which could force the Issuer to cease its operations.

Risks relating to capital and liquidity requirements

The Group is 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. These regulations are regularly reviewed and amended by the Basel Committee on Banking Supervision and by the EU. Regulations which have impacted the Group and are expected to continue to impact the Group currently include, among others, the Basel III framework, the EU Capital Requirements Directive 2013/36/EU ("**CRD IV**"), as amended by Directive (EU) 2019/878 ("**CRD V**"), and the EU Capital Requirements Regulation 11(99) (EU) No. 575/2013 ("**CRR**"), as amended by Regulation (EU) 2019/876 ("**CRR II**") and, as a response to the COVID-19 pandemic, by Regulation (EU) 2020/873. CRR and CRD IV are supported by a set of binding technical standards developed by the European Banking Authority ("**EBA**"). The Group is subject to liquidity requirements, including Liquidity Coverage Ratio requirements and Net Stable Funding Ratio requirements, in its capacity as a credit institution supervised by the SFSA, including a statutory requirement to maintain sufficient liquidity to enable it to discharge its obligations as they fall due. Additionally, the SFSA has issued regulations on liquidity, such as FFFS 2014:21 and FFFS 2010:7, which the Group needs to comply with.

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. CRR II also introduces a binding leverage ratio requirement (i.e., a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Consolidated Situation (as defined in the Terms and Conditions) as determined by the SFSA.

Serious or systematic deviations by the Group from the above regulations would most likely lead to the SFSA determining that the Issuer's business does not satisfy the statutory soundness requirement for credit institutions, which would result in the SFSA imposing sanctions against the Issuer. Further, any increase in the capital and liquidity requirements could have a negative effect on the Group's liquidity, funding, financial condition and results of operations.

Risks relating to legal and regulatory requirements and regulatory changes

The Issuer's operations are subject to a complex regulatory environment with extensive legislation, regulations, codes of conduct, government policies and general recommendations in relation to the products it markets and sells. The Issuer is subject to supervision by the SFSA with regard to, among other things, solvency and capital adequacy, including solvency ratios and liquidity rules, as well as rules on internal governance and control (with several of such requirements applying also on a consolidated level for the Group). The Issuer is also subject to directly applicable EU regulations and EU directives that are implemented through local legislation. Failures to comply with applicable laws and regulations could expose the Issuer to monetary fines and other penalties, damages and/or the voiding of contracts, and could also affect the Group's reputation.

The regulatory requirements applicable on the Issuer's operations are rapidly changing on both national and EU level, with significant ongoing developments with respect to e.g., sustainable finance, operational resilience, consumer protection and capital requirements. In order to maintain compliance with applicable legislation, the Issuer continuously monitors regulatory developments and assesses the impact such changes may have on its operations. The Issuer is, however, unable to predict with certainty the regulatory changes that may be introduced in the future as a result of regulatory initiatives in the EU, by the SFSA or by other national authorities and agencies. Such changes risk having a material adverse effect on, among other things, the Issuer's product range and activities, the sales and pricing of the Issuer's products, as well as the Issuer's profitability and capital adequacy, and can give rise to increased costs of compliance. In addition, there is a risk that the Issuer misinterprets or misapplies new or amended laws and regulations, especially due to the increasing quantity and complexity of legislation, which, in case of significant misinterpretations, would lead to adverse consequences for the Issuer. Furthermore, since the Issuer is a niche loan provider, adverse changes in the regulatory environment could have a greater negative impact on the Group's business, financial condition and results of operations as compared to, for example, full-service banks, which have a more diversified product offering. The Issuer incurs, and expects to continue to incur, significant costs and expenditures, to comply with the increasingly complex regulatory environment.

Risks relating to anti-money laundering and anti-terrorist financing

Counteracting money laundering and terrorist financing is a highly prioritised area within the EU and the regulatory framework is continuously evolving to prevent the financial system from being used for money laundering and terrorist financing. The Issuer's business is subject to a regulatory framework which requires the Issuer to take measures to prevent the occurrence of money laundering and terrorist financing (such as customer due diligence, monitoring customers and transactions, as well as reporting suspicious transactions) through its operations. The requirements are detailed, and the Issuer must allocate substantial resources in order to comply with the requirements and to maintain internal routines and guidelines for managing day-to-day operations. There is a risk that the Issuer's procedures, risk assessments, internal control measures and guidelines to counteract money laundering and terrorist financing are insufficient or inadequate. There is also a risk that new or increased requirements will affect or restrict the Issuer's operations or require the Issuer to further adapt its existing practices and procedures and allocate additional resources to remain compliant with the regulatory requirements.

Failure to comply with the applicable rules and regulations by the Issuer could result in legal implications, such as investigations by supervisory authorities, remarks, warnings and/or administrative fines imposed by the SFSA, which could cause significant, and potentially irreparable, damage to the reputation of the Group and, in turn, the Group's business, results of operations, and financial condition.

RISKS RELATING TO THE NOTES

Risks relating to the Issuer's obligations under the Notes being deeply subordinated

The Notes constitute unsecured and subordinated obligations of the Issuer. In the event of a voluntary or involuntary liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Issuer, the rights of the holders of notes (the "Noteholders") to payments on or in respect of the Notes (which in the case of any payment of principal shall be to payment of the then nominal amount of the Notes only) shall at all times rank junior to any present and future claims of depositors of the Issuer, any unsubordinated creditors of the Issuer and any subordinated creditors whose rights rank or are expressed to rank in priority to the Notes, including, for the avoidance of doubt, holders of any instruments which constitute tier 2 capital of the Issuer. The Notes do, however, rank *pari passu* with all other liabilities or capital instruments which constitute additional tier 1 capital (*Sw. primärkapitaltillskott*) of the Issuer or other liabilities or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes.

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, there is a risk that the Issuer does not have enough assets remaining after payments to senior ranking creditors to pay amounts due under the Notes. No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholders.

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

Credit risks

An investment in the Notes carries a credit risk in relation to the Issuer. The ability of the Noteholders to receive payment under the terms and conditions of the Notes (the "Terms and Conditions") is dependent upon the Issuer's ability to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and financial condition. The Group's financial condition is affected by numerous risk factors, as outlined above. An increased credit risk can result in the market pricing Notes with a higher risk premium, which can adversely affect the value of such Notes. Another aspect of the credit risk is that a deteriorated financial condition can result in a lower credit worthiness, which can affect the Group's ability to refinance the Notes, which in turn can adversely affect the Group's operations, result and financial condition.

The Noteholders may only accelerate the Notes in the event of liquidation or bankruptcy of the Issuer

The Issuer has no obligation to redeem the Notes, except in the event of the liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Issuer, and Noteholders have no other option to require redemption or prepayment of the Notes at any time. Hence, if the Issuer would default on any other obligation under the Terms and Conditions, for example if the Issuer would fail to ensure that the Notes are admitted to

trading in accordance with the Terms and Conditions, the Noteholders would not be able to accelerate the Notes or otherwise request prepayment or redemption of the nominal amount of the Notes.

Further, a new owner could, directly or indirectly, acquire 50 per cent. or more of the shares in the Issuer or otherwise, directly or indirectly, establish control over 50 per cent. or more of the shares and/or votes in the Issuer, thereby, directly or indirectly, controlling the Issuer. Such event would not give rise to the right to require redemption or prepayment of the Notes or any other additional rights of the Noteholders. A change in the direct or indirect ownership of the Issuer could adversely affect the Group's operations, result and financial condition and/or the market value or liquidity of the Notes.

Risks related to interest rate and the Benchmark Regulation

The Notes' value depends on several factors, one of the more significant over time being the level of market interest. Interest payable under the Terms and Conditions is calculated by reference to STIBOR. The process for determining STIBOR and other interest-rate benchmarks is currently subject to certain regulatory action, some of which have already been implemented by way of legislation, whereas other remain to be effected. The most extensive initiative in this respect is the adoption of the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) (the "**BMR**"). The BMR addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union and certain previously used benchmarks have, or will, through the BMR, been discontinued. There is a risk that also STIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Notes. Pursuant to the Terms and Conditions, STIBOR as reference rate may be replaced following certain specified events, e.g., if STIBOR ceases to be calculated or administrated (each as defined as a "Base Rate Event" in the Terms and Conditions). Increased or altered regulatory requirements and risks associated with any replacement of STIBOR following a Base rate Event involve inherent risks since the effects of such replacement cannot be fully assessed at this point of time. Any upcoming replacement of STIBOR, and/or other developments in relation to STIBOR, could result in volatility in STIBOR and the calculation of the interest rate payable under the Terms and Conditions. This could in turn adversely affect an investment in the Notes due to such alternative calculation potentially resulting in interest payments less advantageous for a Noteholder or that such interest payment does not meet market expectation in respect of interest payments.

The Issuer may substitute, vary the terms of or redeem the Notes on the occurrence of a Capital Disqualification Event or Tax Event

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the SFSA and by giving not less than fifteen (15) business days' notice to the Noteholders and the Agent, elect to substitute, vary the terms of or redeem the Notes at par together with accrued but unpaid interest upon the occurrence of a Capital Disqualification Event or Tax Event (each as defined in the Terms and Conditions).

The substitution or variation of the Notes may lead to changes in the Notes that have effects that are less favourable to the Noteholders, and there is a risk that Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Redemption in respect of the Note is subject to the prior consent of the SFSA

The market risk with an investment in notes increases the longer the term is, since it is more difficult to overview how market interest rates will develop with a longer term. The market risk also increases with a longer term since the fluctuation in the price of a note is greater for a note with a longer term than for a note with a shorter term.

Under the Terms and Conditions for the Notes, the Issuer has the option to redeem the Notes. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the SFSA.

Noteholders have no rights to call for the redemption of Notes and should not invest in such Notes with the expectation that the Issuer will exercise its call option. The SFSA must agree to permit such a call based on its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the SFSA will not permit such a call or that the Issuer will not exercise such a call. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a long period of time in excess of the minimum period (see further "Risk relating to the Notes constitute perpetual obligations").

Risks relating to interest payments on the Notes being cancelled by the Issuer

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

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

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

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

Risks relating to the Notes constituting perpetual obligations

The Notes are perpetual, meaning that they have no specified maturity date. The Issuer has no obligation to redeem the Notes except in the event of liquidation or bankruptcy, and the Noteholders

have no other option to require redemption or prepayment of the Notes at any time. Therefore, there is a risk that the Noteholders may be required to bear the financial risks of the investment in the Notes for a long period of time and they may not recover their investment before a redemption of the Notes (if any) at the discretion of the Issuer (in particular if there is no active trading in the Notes on the secondary market). There is a risk that Noteholders will lose their entire, or parts of their, investments, if the Issuer chooses not to redeem the Notes (see further "Risks relating to early redemption in respect of the Notes are subject to the prior consent of the SFSA" and "Risks relating to admission to trading, liquidity and the secondary market".)

Loss absorption following a Trigger Event

If at any time the CET1 ratio of the Issuer is less than 5.125 per cent. or the Issuer Consolidated Situation (as defined in the Terms and Conditions) is less than 7.00 per cent., as determined by the Issuer and/or the SFSA, this constitutes a Trigger Event (as defined in the Terms and Conditions) and the total nominal amount of the Notes shall be written down by an amount sufficient to restore the CET1 ratio of the Issuer to at least 5.125 per cent., and the CET1 ratio of the Issuer Consolidated Situation (as defined in the Terms and Conditions) to at least 7.00 per cent., as applicable provided that the nominal amount of each Notes may not be written down below a Nominal Amount per Note of SEK 1. The write-down of the Notes is likely to result in a Noteholder losing some or all of its investment.

A write-down shall be made either as a reduction of the total nominal amount of the Notes or by means of a pooling factor, where the Issuer's payment obligation under each Note shall be reduced to a certain percentage of the nominal amount and in each case, such write-down shall be considered to be an unconditional capital contribution (*Sw. ovillkorat kapitaltillskott*) and shall be made in consultation with the SFSA and in accordance with the rules of the CSD. Following any such write-down, the Issuer may, at its absolute discretion, reinstate any portion of the principal of the Notes, if certain conditions are met. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require unanimous approval at a shareholders' meeting of the Issuer).

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

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

Risks relating to the resolution act and BRRD

Write-down and conversion and bail-in

The Issuer is subject to the Swedish Resolution Act 2015 (*Sw. lag (2015/1016) om resolution*) (the "**Resolution Act**"). The Resolution Act implements Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firm (the "**BRRD**") into Swedish law. The Swedish National Debt Office (*Sw. Riksgäldskontoret*) (the "**NDO**") is granted significant powers in its capacity as competent resolution authority under the Resolution Act and BRRD to apply the resolution tools and exercise the resolution powers set forth in the Resolution Act. Such powers include the introduction of a statutory "write-down and conversion power" with respect to capital instruments and a "bail-in power", which will give the NDO the power to cancel or vary all or a portion of the principal amount of, or interest on, the term of and the interest payment dates of certain eligible liabilities including

tier 1 and tier 2 capital instruments. Prior to resolution under the Resolution Act, the Swedish FSA may require bail-in.

The bail-in power can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The write-down and conversion power can be used to ensure that tier 1 capital and tier 2 capital instruments fully absorb losses at the point of non-viability of an institution and before any other resolution action is taken. The Resolution Act specifies the order in which the relevant bail-in tool should be applied, which order reflects the hierarchy of capital instruments under CRD IV and otherwise respecting the hierarchy of claims in an ordinary insolvency. In addition, the bail-in power contains a specific mechanism that aims at safeguarding that shareholders and creditors do not receive a less favourable treatment than in ordinary insolvency proceedings. Even where a claim for compensation is established under this "no creditor worse off" safeguard, this will be determined on the basis of an independent valuation performed after the resolution action has been taken. It is unlikely that such compensation would be equivalent to the full loss incurred by the Noteholders in the resolution and there is a risk that such Noteholders will experience considerable delay in recovering any such compensation.

The Notes constitute unsecured obligations of the Issuer and could be subject to the bail-in power. The determination of whether all or only a part of the principal amount of the Notes will be subject to bail-in is inherently unpredictable. There is a risk that if the bail-in tool would be applied, it could result in the cancellation of all or a portion of the principal amount of, or interest on, the Notes and/or the conversion of all, or a portion, of the principal amount of, or outstanding amount payable in respect of, or interest on, the Notes into ordinary shares or other securities of the Issuer or another person, including by means of a variation to the terms of the Notes (including the maturity date or interest rate) to give effect to such application of the bail-in tool.

Accordingly, potential Noteholders should consider the risk that the bail-in tool may be applied in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving different securities than the Notes, which will be worth significantly less than the Notes and which will have significantly fewer protections than those typically afforded to debt securities.

Moreover, the NDO may exercise its authority to apply the bail-in tool without providing any notice in advance to the Noteholders. Noteholders may also have limited or no rights to challenge any decision of the NDO to exercise the bail-in power or to have that decision reviewed by a judicial or administrative process or otherwise.

Additional measures

In addition to the bail-in power and the statutory write-down and conversion power, the Resolution Act provides the NDO with broader powers to implement other resolution measures on a credit institution such as the Issuer, in the event of any distress, which may include (without limitation); (i) directing the sale of the institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transferring all or part of the business of the institution to a so called bridge institution (a publicly controlled entity), (iii) transferring the impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time, (iv) replacing or substituting the institution as obligor in respect of debt instruments, (v) modifying the terms of debt instruments, for instance the Notes, (including altering the maturity date and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or (vi) discontinuing the listing of financial instruments, such as the Notes.

The NDO will likely allow the use of financial public support only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool and/or the statutory write-down and/or conversion powers.

The Resolution Act established a preference in the ordinary insolvency hierarchy, firstly, for insured depositors and, secondly, for all other deposits of individuals and micro, small and medium-sized enterprises held in EEA or non-EEA branches of an EEA credit institution. These preferred deposits will rank ahead of all other unsecured senior creditors of the Issuer, including the Noteholders, in the insolvency hierarchy. Furthermore, insured deposits are excluded from the scope of the bail-in powers.

RESPONSIBILITY FOR THE INFORMATION IN THE PROSPECTUS

The Issuer issued the Notes on 9 October 2024. This Prospectus has been prepared in relation to the Issuer applying for admission to trading on the corporate bond list of Nasdaq Stockholm of the SEK 150,000,000 Floating Rate Additional Tier 1 Notes with ISIN SE0022760971 (the “Notes”).

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes has been authorised by resolution by the board of directors of the Issuer on 17 September 2024.

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

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus.

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Stockholm on 2 December 2024

Serafim Finans AB (publ)

The board of directors

THE NOTES IN BRIEF

This section contains a general and broad description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see the section “Supplementary information”) and the full Terms and Conditions for the Notes, which can be found in section “Terms and Conditions for the Notes”, before a decision is made to invest in the Notes.

Concepts and terms defined in section “Terms and Conditions for the Notes” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

General

Issuer	Serafim Finans AB (publ), reg. no. 556654-9191
Resolutions, authorisations and approvals	The Issuer’s board of directors resolved to issue the Notes on 17 September 2024
The Notes offered	SEK 150,000,000 Floating Rate Additional Tier 1 Notes
Number of Notes	120 Notes.
ISIN	SE0022760971
Issue Date	9 October 2024.
Nature of the Notes	The Notes constitute additional tier 1 capital (Sw. <i>primärkapitaltillskott</i>) as defined in Chapter 3., Title I, Part Two of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as the same may be amended or replaced from time to time, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (“ CRR ”).
No maturity	The Notes constitute perpetual obligations of the Issuer and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time.
Price	All Notes are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount
Interest Rate	Interest on the Notes is paid at a rate equal to the sum of three (3) months STIBOR plus 11.00 per cent. per annum. Interest will accrue from (excluding) the Issue Date.

Use of benchmark and Benchmark Regulation	Amounts payable under the Notes (as defined herein) are calculated by reference to STIBOR, which is provided by the Swedish Financial Benchmark Facility. As of the date of this Prospectus, the Swedish Financial Benchmark Facility appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority and is authorised to operate as a benchmark administrator pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).
Interest Payment Date	9 January, 9 April, 9 July and 9 October each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date falling on 9 January 2024 and the last Interest Payment Date being the relevant Redemption Date).
Nominal Amount	Each Note has a nominal amount of SEK 1,250,000 and the minimum permissible investment in connection with the Note Issue was SEK 1,250,000
Denomination	The Notes are denominated in SEK.
Status and ranking of the Notes	<p>The Notes are intended to constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer and shall, as regards the right to receive periodic payments (to the extent not cancelled) or repayment of capital in the event of the liquidation (<i>Sw. likvidation</i>) or bankruptcy (<i>Sw. konkurs</i>) of the Issuer, rank:</p> <ul style="list-style-type: none"> (a) pari passu without any preference among themselves; (b) pari passu with (i) any present or future liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation and (ii) any other liabilities or capital instruments of the Issuer that rank or are expressed to rank pari passu with the Notes; (c) senior to holders of all classes of the Issuer's shares in their capacity as such holders; and (d) junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, and (iii) any subordinated creditors of the Issuer whose rights rank or are expressed to rank in priority to the Notes, including, for the avoidance of doubt, holders of notes which constitute Tier 2 Capital of the Issuer and the Issuer Consolidated Situation.

Interest cancellation

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

- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; and
- (b) will be mandatorily cancelled to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

The Issuer shall give notice to the Noteholders in accordance with Clause 25 of the Terms and Conditions of any such cancellation of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.

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

Write-down upon a Trigger Event

If at any time a Trigger Event occurs the Issuer will irrevocably cancel any accrued and unpaid interest in respect of the Notes to (but excluding) the Write-Down Date (as defined below) in accordance with Clause 10 of the Terms and Conditions (including if payable on the Write-Down Date); and on the Write-Down Date (without any requirement for the consent or approval of the Noteholders), reduce the then Total Nominal Amount or the Issuer's payment obligation under the Notes in accordance with Clause 11.1 of the Terms and Conditions (such reduction a "**Write-Down**").

The amount of the reduction of the Total Nominal Amount on the Write-Down Date shall equal the amount of a Write-Down that would restore the CET1 ratio of the Issuer to at least 5.125 per cent, and the CET1 ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such Write-Down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note corresponding to SEK 1.

A Write-Down in accordance with Clause 11.1 of the Terms and Conditions shall be made taking into account any preceding or imminent Write-Down or conversion of corresponding or similar loss absorbing instruments (if any) issued by the Issuer, or any other member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes). To the extent the Write-Down or conversion of any corresponding or similar loss absorbing instruments is not possible for any reason, this shall not in any event prevent a Write-Down of the Notes.

For the avoidance of doubt, the Nominal Amount of each Note shall, upon the Write-Down of the Total Nominal Amount described above, be written down on a pro rata basis.

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

Reinstatement of the Notes

Following a Write-Down, the Issuer may, at its absolute discretion, reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in, and otherwise in accordance with, the Applicable Capital Regulations.

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

Use of Proceeds

The proceeds from the issue of the Notes shall be used for general corporate purposes of the Issuer.

Call Option

Early redemption at the option of the Issuer

Subject to Clause 12.6 of the Terms and Conditions and giving notice in accordance with Clause 12.7 of the Terms and

Conditions, the Issuer may redeem all (but not some only) of the Notes on:

- (a) any Business Day falling within the Initial Call Period; or
- (b) any Interest Payment Date falling after the Initial Call Period;

in each case, at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest thereon.

Initial Call Period

The period commencing on (and including) the First Call Date and ending on (and including) the Interest Payment Date falling on or immediately after three (3) months of the First Call Date.

Call option

Subject to Clause 12.6 of the Terms and Conditions and giving notice in accordance with Clause 12.7 of the Terms and Conditions if a Capital Disqualification Event or Tax Event has occurred, the Issuer may:

- (a) redeem all, but not some only, of the outstanding Notes on any Interest Payment Date at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest thereon to (but excluding) the date fixed for redemption; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Capital Notes provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 in relation to the Qualifying Capital Notes so substituted or varied.

Capital Disqualification Event

The occurrence of, at any time on or after the Issue Date, a change (which has occurred or which the SFSA considers to be sufficiently certain) in the regulatory classification of the Notes that results or would be likely to result in the exclusion, wholly or partially, of Notes from the Additional Tier 1 Capital of the Issuer and/or the Issuer Consolidated Situation or the reclassification, wholly or partially, of the Notes as a lower quality form of regulatory capital, provided that:

- (a) the Issuer demonstrates to the satisfaction of the SFSA that such change was not reasonably foreseeable at the Issue Date; and
- (b) such exclusion or reclassification is not a result of any applicable limitation on the amount of such Additional

Tier 1 Capital contained in the Applicable Capital Regulations.

Tax Event

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

Miscellaneous

Transfer restrictions

The Notes are freely transferable. All Note transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Note transferees upon completed transfer. Notwithstanding the foregoing, Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

Credit rating

No Credit rating has been assigned to the Notes.

Admission to trading

Application for admission to trading of the Notes on the corporate bond list of Nasdaq Stockholm will be filed in connection with the SFSA's approval of this Prospectus. The total expenses of the admission to trading of the Notes are estimated to amount to approximately SEK 150,000.

Agent and representation of Noteholders

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, is acting as Agent for the Noteholders in relation to the Notes, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. By acquiring the Notes, each subsequent Noteholder confirms such appointment and authorisation of the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions. An Agency Agreement was entered into between the Agent and the Issuer prior to the Issue Date regarding, among others, the remuneration payable to the Agent. The Agent Agreement is available at the Agent's office address (Norrandsgatan 23, SE- 111 43 Stockholm). The rights and obligations of the Agent are set forth in the Terms and Conditions. The Terms and Conditions are available at the Agent's office address, Norrandsgatan 23,

SE-111 43 Stockholm, Sweden, during normal business hours as well as at the Agent's website, www.nordictrustee.com.

Clearing and settlement

The Notes are connected to the account-based system of Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden. This means that the Notes are registered on behalf of the Noteholders on their respective Securities Accounts. No physical Notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

Governing law of the Notes

Swedish law.

Time-bar

The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been time-barred and has become void.

Risk factors

Investing in the Notes involves substantial risks and prospective investors should refer to section "Risk Factors" for a discussion of certain factors that they should carefully consider before deciding to invest in the Notes.

THE GROUP AND ITS OPERATIONS

General information about Serafim

The Issuer

The Issuer, Serafim Finans AB (publ), with Swedish corporate registration number 556654-9191 and Legal Entity Identifier Code 5493002KV5GSXUI6EQ53, was incorporated in Sweden on 27 November 2003 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 27 January 2004. The Issuer's registered office is located at Kungsgatan 12-14 in Stockholm. The Issuer is a public limited liability company (*publikt aktiebolag*).

The Issuer's website is serafimfinans.se. The information on the website is not a part of this Prospectus, unless that information is incorporated by reference into this Prospectus.

Under its current Articles of Association, the Issuer's share capital shall be not less than SEK 3,000,000 and not more than SEK 12,000,000, divided into not fewer than 3,000,000 shares and not more than 12,000,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 10,000,000 represented by 8,000,000 shares.

Regulatory history of the Issuer

On 8 January 2020, the Issuer was granted a licence as a credit market company (*kreditmarknadsbolag*) to conduct financing business under the Swedish Banking and Financing Business Act (lag (2004:297) om bank- och finansieringsrörelse).

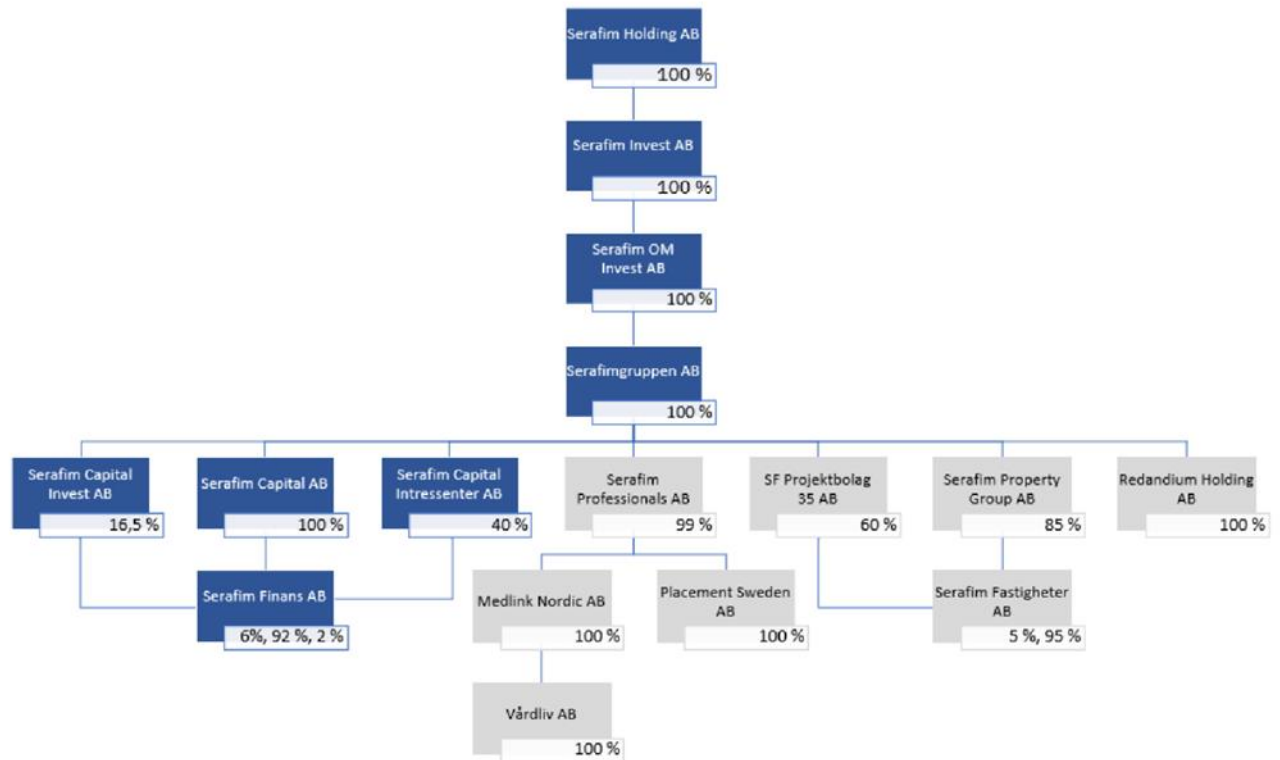
Main activities of the Issuer

The Issuer's business concept is to offer financial solutions to companies and consumers. The Issuer is a credit market company, authorised to conduct financial activities, and offers financial and administrative solutions for small and medium-sized companies in all sectors. Services include invoice purchasing, invoice servicing, claims management, business loans and property financing. The Issuer also offers consumer credit, the purpose of which is to enable individuals to private healthcare with related services in the private sector. Savings accounts with state deposit guarantee are provided to both companies and individuals. As of 31 December 2023, the Issuer's lending to the public amounted to SEK 2,288 million.

The Issuer's main operations are divided into three (3) segments: the corporate segment, the real estate segment, and the consumer segment. In the corporate and real estate segment, the Issuer grants loans to small and medium-sized enterprises in all sectors, which account for approximately 95 per cent. of the Issuer's total lending volume.

Legal structure of the Group

The Issuer is part of a corporate group in which Serafim Holding AB is the ultimate parent company. The group currently consists of 59 companies in total and consists of three different business areas: financial operations (Serafim Finans), rental of healthcare staff and recruitment (Serafim Professionals) and construction and property operations (Serafim Fastigheter). The issuer is included in the consolidated group consisting of Serafim Holding AB, Serafim Invest AB, Serafim OM Invest AB, Serafimgruppen AB, Serafim Capital Invest AB, Serafim Capital AB, Serafim Capital Intressenter AB and the Issuer. The figure below shows the material entities included in the group and sets out ownership shares (refers to capital) as well as the relevant companies (exhibited in blue) that are included in the consolidated situation.



Owners

As per the date of this Prospectus, the Issuer has three direct owners: Serafim Capital AB (92 per cent of the share capital), Serafim Capital Invest AB (six per cent of the share capital), and Serafim Intressenter AB (2 per cent of the share capital). Serafim Capital AB is wholly owned by the parent, Serafim Holding AB, through a chain of the holding companies Serafimgruppen AB, Serafim OM Invest AB and Serafim Invest AB. The Issuer is indirectly controlled by Johan Poska Tilander, being the ultimate owner of the Group.

The Issuer and its shareholders each complies with applicable rules and regulation (such as the Swedish Companies Act) to ensure that the control over the Issuer is not abused. In order to prevent shareholders from abusing power due to the ownership structure and control of the Issuer, the Issuer has also adopted a policy regarding closely related party transactions.

Relevant legislation

The Issuer is a public limited liability company and as such regulated by the Swedish Companies Act (*aktiebolagslagen* (2005:551)) and its articles of association. As a credit market company, the Issuer is subject to the supervision of the Swedish FSA and regulated by inter alia the Swedish Banking and Financing Business Act and the Swedish Deposit Insurance Act (lag (1995:1571) om insättningsgaranti).

In addition to laws and official regulations, the Issuer has an internal risk- and governance structure pursuant to applicable law governing the day-to-day management of the company, adopted by the board of directors or the CEO.

Trend information

There has been no material adverse change in the prospects of the Issuer since 31 December 2023, being the date of publication of the latest audited financial information of the Group.

Johan Poska Tilander

Born 1965.

Board member

Other on-going principal assignments outside the Group:

Board member of Placement Sweden AB.

Lars-Ola Persson

Born 1963.

Board member

Other on-going principal assignments outside the Group:

Board member of Lars Ola Persson Holding AB.

Björn Österlund

Born 1950

Board member

Other on-going principal assignments outside the Group:

Chairman and board member of Enrouteq AB, deputy board member of ÅÖ Utbildning & samverkan AB, and chairman and board member of Fitchuvalle AB.

Pär Ekstedt

Born 1965

Board member

Other on-going principal assignments outside the Group:

Chairman and board member of Enrouteq AB, deputy board member of ÅÖ Utbildning & samverkan AB, and chairman and board member of Fitchuvalle AB.

Senior Management Team

Name	Position
Joakim Wiksten	CEO
Erik Lundberg	CFO
Pernilla Ljungdahl	COO
Anna Rytterling	Head of Corporate
Anders Wennberg	Head of Real Estate
Nickolaus Karlsson	Head of Consumer & Online
Ronny Sturny	Chief Credit Officer
Mikael Larsson	Head of Business Support

Joakim Wiksten

CEO

Born 1978

Other on-going principal assignments outside the Group:

Board member of Filuwi AB.

Erik Lundberg CFO

Born 1979

Other on-going principal assignments -
outside the Group:

Pernilla Ljungdahl COO

Born 1982

Other on-going principal assignments Board member of Capeluni Invest AB.
outside the Group:

Anna Rytterling Head of Corporate

Born 1985

Other on-going principal assignments -
outside the Group:

Anders Wennberg Head of Real Estate

Born 1964

Other on-going principal assignments -
outside the Group:

Nickolaus Karlsson Head of Consumer & Online

Born 1974

Other on-going principal assignments -
outside the Group:

Ronny Sturny Chief Credit Officer

Born 1961

Other on-going principal assignments -
outside the Group:

Mikael Larsson Head of Business Support

Born 1973

Other on-going principal assignments -
outside the Group:

Additional information on the board and the management team

Business address

The office address of the board of directors and the management team is the registered office of the Issuer.

Conflicts of interest

There are no family ties between the individuals on the Issuer's board of directors or the executive management. There are no potential conflicts of interest concerning any of the members of the board of directors or executive management that would indicate that their private interests could be considered to conflict with the Issuer's interests. Members of the board of directors and executive management directly or indirectly hold shares and/or warrants in the Issuer. Several members of the board of directors also hold positions or have assignments in other companies that operate in the industry in which the Issuer operates, and in other companies within the Group with which the Issuer, from time to time, conducts business. Any conflicts of interest among the board members or the executive management will be identified and addressed in accordance with the Companies Act and other applicable law and regulation as well as the Issuer's internal policies.

Auditors

At the 2023 Annual General Meeting, Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, SE-113 21 Stockholm, Sweden) was re-elected auditor of the Issuer for the period until the end of the Annual General Meeting 2024. Frida Main, born 1983, is the Auditor-in-Charge and is a Chartered Accountant and member of FAR, the professional institute for accountants in Sweden. Öhrlings PricewaterhouseCoopers AB has audited the Issuer's annual reports for the financial years 2022 and 2023.

SUPPLEMENTARY INFORMATION

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of this Prospectus:

The Issuer's annual report for 2022¹	as regards the audited financial information and the audit report page 20 for income statement, page 21 for balance sheet, page 22 for changes in equity capital, page 23 for cash flow statement, pages 24-45 for notes and pages 50-53 for the audit report.
The Issuer's annual report for 2023²	as regards the audited financial information on page 20 for income statement, page 21 for balance sheet, page 22 for changes in equity capital, page 23 for cash flow statement and pages 24-46 for notes.
The audit report for 2023³	Pages 1-5.
The Issuer's interim report for the period 1 January 2024 – 30 September 2024⁴	as regards the financial information on page 10 for income statement, page 11 for balance sheet, page 12 for statement of changes in equity, page 13 for statement of cash flows and pages 15-18 for notes.

The Issuer's financial reports mentioned above are available in electronic form on the Issuer's web page <https://serafimfinans.se/rapporter> and can also be obtained from the Issuer in paper format in accordance with the section "Documents available for inspection".

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

The financial statements included in the Issuer's annual reports for 2022 and 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. In addition, the Group applies the amendments stipulated by the Swedish Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Accounting Regulations for Groups, and the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding Annual Reports at Credit Institutions and Securities Companies (FFFS 2008:25).

Documents available for inspection

Copies of the following documents can be obtained from the Issuer in paper format upon request during the validity period of this Prospectus at the Issuer's head office.

- The Issuer's Certificate of Registration and Articles of Association

¹ https://serafimfinans.se/hubfs/PDF/arsredovisning_serafimfinans_2022.pdf

² https://serafimfinans.se/hubfs/PDF/arsredovisning_serafimfinans_2023.pdf

³ https://serafimfinans.se/hubfs/PDF/revisionsberattelse_serafimfinans_2023.pdf

⁴ https://serafimfinans.se/hubfs/PDF/dearsrapport_serafimfinans_Q3_2024.pdf

- The Issuer's audited annual report for the financial year ended 31 December 2022, including the applicable audit report
- The Issuer's audited annual report for the financial year ended 31 December 2023, including the applicable audit report
- The Issuer's interim report for the period 1 January 2024 – 30 September 2024
- This Prospectus
- The Terms and Conditions for the Notes

Certain material interests

Nordea Bank Abp, filial i Sverige (the "**Sole Bookrunner**") has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Group in the ordinary course of business. Therefore, conflicts of interest may exist or may arise as a result of the Issuing Agent having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Terms and Conditions

Serafim Finans AB

SEK 150,000,000

Floating Rate Additional Tier 1 Notes

ISIN: SE0022760971

LEI: 5493002KV5GSXUI6EQ53

Issue Date: 9 October 2024

SELLING RESTRICTIONS

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

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

PRIVACY NOTICE

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

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

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

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

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

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

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

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TERMS AND CONDITIONS

1 DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

"**Acceleration Event**" has the meaning ascribed to it in Clause 15 (*Acceleration of the Notes*).

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

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

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

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

"**Affiliate**" means:

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

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

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

"**Agent**" means the Noteholders' agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

"**Applicable Capital Regulations**" means at any time the laws, regulations, directives, requirements, guidelines and policies relating to capital adequacy which from time to time are applicable to the Issuer or the Issuer Consolidated Situation, including, without limiting the generality of the foregoing, the CRD and any delegated act adopted by the European Commission thereunder, as well as the legal acts, regulations, requirements, guidelines,

regulatory technical standards and policies relating to capital adequacy as then applied in Sweden by the SFSA and/or any successor (whether or not such requirements, guidelines, regulatory technical standards or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Issuer Consolidated Situation).

"Base Rate" means STIBOR or any reference rate replacing STIBOR in accordance with Clause 21 (Replacement of Base Rate).

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

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

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

"Capital Disqualification Event" means, at any time on or after the Issue Date, there is a change (which has occurred or which the SFSA considers to be sufficiently certain) in the regulatory classification of the Notes that results or would be likely to result in the exclusion, wholly or partially, of Notes from the Additional Tier 1 Capital of the Issuer and/or the Issuer Consolidated Situation or the reclassification, wholly or partially, of the Notes as a lower quality form of regulatory capital, provided that:

- (a) the Issuer demonstrates to the satisfaction of the SFSA that such change was not reasonably foreseeable at the Issue Date; and
- (b) such exclusion or reclassification is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Applicable Capital Regulations.

"CET1 Capital" means common equity tier 1 capital of the Issuer or the Issuer Consolidated Situation, respectively, as calculated by the Issuer in accordance with Chapter 2 of Title II of Part Two of the CRR and/or any other Applicable Capital Regulations at such time.

"CET1 ratio" means, at any time:

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

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

"CRD" means the legislative package consisting of:

- (a) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as amended by Directive 2019/878/EU of the European

Parliament and of the Council of 20 May 2019 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures;

- (b) the CRR; and
- (c) any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the foregoing which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the SFSA and guidelines issued by the SFSA, the European Banking Authority (EBA) or any other relevant authority, which are applicable to the Issuer or the Group, as applicable,

in each case as the same may be amended or replaced from time to time.

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as the same may be amended or replaced from time to time, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements.

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

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

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

"**Distributable Item**" means (subject to as otherwise defined in the Applicable Capital Regulations), as at any Interest Payment Date, the amount of the profits of the Issuer for the financial year ended immediately prior to such Interest Payment Date, plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (*Sw. kapitalbasinstrument*) of the Issuer excluding, for the avoidance of doubt, distributions to holders of any Tier 2 Capital instruments, less any losses brought forward, profits which are non-distributable pursuant to any applicable legislation or the Issuer's articles of association and sums placed to non-distributable reserves in accordance with applicable legislation or the Issuer's articles of association, those profits, losses and reserves being determined on the basis of the individual audited annual financial statements of the Issuer in respect of such financial year and not on the basis of its consolidated accounts.

"Finance Documents" means the Terms and Conditions and any other document designated to be a Finance Document by the Issuer and the Agent acting on behalf of the Noteholders.

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

"First Call Date" means the date falling five (5) years after the Issue Date being 9 October 2029, or to the extent such day is not a Business Day, the date following from an application of the Business Day Convention.

"Force Majeure Event" has the meaning set forth in Clause 26.1.

"Group" means the Issuer and its Subsidiaries from time to time.

"Group Company" means each of the Issuer and any of its Subsidiaries.

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

"Insolvent" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 6-9 of the Swedish Bankruptcy Act (Sw. konkurslagen (1987:672)) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. lag (2022:964) om företagsrekonstruktion) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

"Interest" means the interest on the Notes calculated in accordance with Clauses 10.1 to 10.1.3.

"Interest Payment Date" means 9 January, 9 April, 9 July and 9 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 9 January 2025 and the last Interest Payment Date shall be the relevant Redemption Date.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" means the Base Rate plus 11.00 per cent. per annum, as adjusted by any application of Clause 19 (*Replacement of Base Rate*).

"Issue Date" means 9 October 2024.

"Issuer" means Serafim Finans AB (publ), a public limited liability company incorporated in Sweden with reg. no. 556654-9191.

"Issuer Consolidated Situation" means the Issuer and those entities (if any) which from time to time are part of the Issuer's prudential consolidated situation, as such term is used in the Applicable Capital Regulations, from time to time.

"Issuing Agent" means, initially, Nordea Bank Abp, filial i Sverige and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

"Nominal Amount" has the meaning set forth in Clause 3.4 (as adjusted by any Write-Down and reinstatement made pursuant to Clause 11 (*Loss Absorption and Discretionary Reinstatement*)).

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

"**Note Issue**" has the meaning set forth in Clause 3.4.

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

"**Noteholders' Meeting**" means a meeting among the Noteholders held in accordance with Clauses 17.1 (*Request for a decision*), 17.2 (*Convening of Noteholders' Meeting*) and 17.4 (*Majority, quorum and other provisions*).

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

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

- (a) include a ranking at least equal to the Notes;
- (b) have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Notes;
- (c) have the same redemption rights as the Notes (including the same call dates as the Notes);
- (d) preserve any existing rights under the Notes to any accrued interest which has not been paid but which has not been cancelled in respect of the period from (and including) the Interest Payment Date last preceding the date of the relevant substitution or variation of the Notes;
- (e) are assigned (or maintain) the same or higher credit ratings as were assigned to the Notes (if any) immediately prior to the relevant substitution or variation of the Notes; and
- (f) comply with the then current requirements for Additional Tier 1 Capital contained in the Applicable Capital Regulations.

If the Notes were admitted to trading and listed on a Regulated Market immediately prior to the relevant substitution or variation, the Issuer shall use reasonable efforts to ensure that the relevant Qualifying Capital Notes are admitted to trading and listed on a Regulated Market within sixty (60) days from their issuance.

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

"**Record Date**" means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 16 (Distribution of Proceeds), (iv) the date of a Noteholders' Meeting or (v) another relevant

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

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

"Reference Banks" means leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent.

"Regulated Market" means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

"Risk Exposure Amount" means, at any time, with respect to the Issuer or the Issuer Consolidated Situation (as the case may be), the aggregate amount of the risk weighted assets (or any equivalent or successor term) of the Issuer or the Issuer Consolidated Situation, respectively, calculated in accordance with the Applicable Capital Regulations at such time. For the purposes of this definition, the term "risk weighted assets" means the risk weighted assets or total risk exposure amount, as calculated, in accordance with the Applicable Capital Regulations applicable to the Issuer and the Issuer Consolidated Situation.

"Securities Account" means the account for dematerialised securities maintained by the CSD in which (i) an owner of such securities is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

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

"SEK" means the lawful currency of Sweden.

"SFSA" means the Swedish financial supervisory authority (*Sw. Finansinspektionen*) or such other governmental authority in Sweden having primary banking supervisory authority with respect to the Issuer or, if the Issuer becomes subject to primary bank supervision in a jurisdiction other than Sweden, the relevant governmental authority in such other jurisdiction having primary banking supervisory authority with respect to the Issuer.

"STIBOR" means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the LSEG screen (or through such other system or on such other page as replaces the said system or page)) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the LSEG screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks for deposits of SEK 100,000,000 for the relevant period; or

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

if any such rate is below zero, STIBOR will be deemed to be zero.

"Subsidiary" means, in relation to any Person, any Swedish or foreign legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners;
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body; or
- (d) exercises control as determined in accordance with the Accounting Principles.

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

"Tier 2 Capital" means tier 2 capital (Sw. supplementärkapital) as defined in Part Two, Title 1, Chapter 4 of the CRR and/or any other Applicable Capital Regulations.

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

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

"Write-Down" has the meaning set forth in Clause 11.1.1.

"Written Procedure" means the written or electronic procedure for decision making among the Noteholders in accordance with Clauses 17.1 (*Request for a decision*), 17.3 (*Instigation of Written Procedure*) and 17.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

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

- (c) a "regulation" includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department; and
 - (d) a provision of regulation is a reference to that provision as amended or re-enacted.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. Riksbanken) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.5 The selling and distribution restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Noteholders and the Agent.

2 STATUS AND RANKING OF THE NOTES

- 2.1 The Notes are intended to constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer and shall, as regards the right to receive periodic payments (to the extent not cancelled) or repayment of capital in the event of the liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Issuer, rank:
- (a) pari passu without any preference among themselves;
 - (b) pari passu with (i) any present or future liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital of the Issuer and the Issuer Consolidated Situation and (ii) any other liabilities or capital instruments of the Issuer that rank or are expressed to rank pari passu with the Notes;
 - (c) senior to holders of all classes of the Issuer's shares in their capacity as such holders; and
 - (d) junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, and (iii) any subordinated creditors of the Issuer whose rights rank or are expressed to rank in priority to the Notes, including, for the avoidance of doubt, holders of notes which constitute Tier 2 Capital of the Issuer and the Issuer Consolidated Situation.
- 2.2 The Issuer reserves the right to issue further Additional Tier 1 Capital and other subordinated notes and obligations in the future, which may rank pari passu with the Notes as well any capital instruments of the Issuer, which may rank junior to the Notes or any capital instruments which may rank senior to the Notes.

3 THE AMOUNT OF THE NOTES AND UNDERTAKING TO MAKE PAYMENTS

- 3.1 The Notes are denominated in SEK and each Note is constituted by these Terms and Conditions. Subject to these Terms and Conditions, the Issuer undertakes to repay the Notes, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes each subsequent Noteholder confirms such agreement.
- 3.3 Each Noteholder acknowledges and accepts that any liability of the Issuer towards a Noteholder under the Notes may be subject to bail-in action, including conversion or write-down, in accordance with Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended or replaced from time to time.
- 3.4 The aggregate amount of the note loan will be an amount of SEK 150,000,000 (the "Note Issue") which will be represented by Notes, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the "Nominal Amount"). The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a pro rata basis, in accordance with Clause 11 (*Loss Absorption and Discretionary Reinstatement*), and "Nominal Amount" shall be construed accordingly.
- 3.5 All Notes are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 3.6 The minimum permissible investment in connection with the Note Issue is SEK 1,250,000.
- 3.7 The ISIN for the Notes is SE0022760971.

4 USE OF PROCEEDS

The proceeds from the issue of the Notes shall be used towards general corporate purposes of the Issuer.

5 CONDITIONS FOR DISBURSEMENT

- 5.1 The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the Issue Date, the following:
- (a) a copy of the articles of association and certificate of registration of the Issuer;
 - (b) a copy of a resolution of the board of directors of the Issuer:
 - (i) (approving the terms of, and the transactions contemplated by, the Terms and Conditions and the Agency Agreement, and resolving that it executes, delivers and performs the Terms and Conditions and the Agency Agreement;
 - (ii) (authorising a specified person or persons to execute the Terms and Conditions and the Agency Agreement on its behalf; and
 - (iii) (authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Terms and Conditions and the Agency Agreement;
 - (c) a duly executed copy of the Terms and Conditions; and

- (d) a duly executed copy of the Agency Agreement.
- 5.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)).
- 5.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2, the Issuing Agent shall settle the issuance of the Notes and pay the proceeds of the Note Issue to the Issuer on the Issue Date.

6 THE NOTES AND TRANSFERABILITY

- 6.1 By virtue of being registered as a Noteholder (directly or indirectly) with the CSD, each Noteholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with by the Agent, the Noteholders or any other third party.
- 6.2 The Notes are freely transferable. All Note transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Note transferees upon completed transfer. Notwithstanding the foregoing, Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 6.3 Upon a transfer of Notes, any rights and obligations under these Terms and Conditions relating to such Notes are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 For the avoidance of doubt and notwithstanding the above, a Noteholder which allegedly has purchased Notes in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Noteholder hereunder in each case until such allegations have been resolved.

7 NOTES IN BOOK-ENTRY FORM

- 7.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Notes at the relevant point of time.
- 7.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. föräldrabalken (1949:381)), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- 7.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 7.6 The Issuer and the Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

8 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 8.1 If any person other than a Noteholder (including the owner of a Note, if such person is not the Noteholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.
- 8.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 8.1 and Clause 8.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 8.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (Sw. förvaltare) with respect to a Note and the owner of such Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9 PAYMENTS IN RESPECT OF THE NOTES

- 9.1 Any payment or repayment, or any amount due in respect of a repurchase of any Notes, under the Finance Documents shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 Provided that a Noteholder has registered an income account (Sw. *avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Notes are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for

the payment, no payment will be effected by the CSD to such Noteholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Noteholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.
- 9.4 If payment or repayment is made in accordance with Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount (unless the Issuer or the CSD, as applicable, has actual knowledge of the fact that the payment was made to the wrong person).
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Note Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law) and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10 INTEREST AND INTEREST CANCELLATION

10.1 Interest

- 10.1.1 Subject to Clause 10.2 and Clause 11, the Notes will carry Interest at the Interest Rate calculated on the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 10.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 10.1.3 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

10.2 Interest Cancellation

- 10.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:
- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; and
 - (b) will be mandatorily cancelled to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.
- 10.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 25.1 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure

to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.

- 10.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have "accrued" or been earned for any purpose.
- 10.2.4 Failure to pay such interest (or the cancelled part thereof) in accordance with Clause 10 shall not constitute an event of default or the occurrence of any event related to the insolvency of the Issuer or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer.

10.3 Calculation of Interest in case of Write-Down or reinstatement

- 10.3.1 Subject to Clause 10.2 (*Interest cancellation*), in the event that a Write-Down occurs during an Interest Period, Interest will accrue on the Nominal Amount (as adjusted pursuant to such Write-Down).
- 10.3.2 Subject to Clause 10.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 11.3 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount.
- 10.3.3 In connection with a Write-Down or reinstatement pursuant to Clause 11 (*Loss absorption and discretionary reinstatement*), the Issuer shall inform the CSD of an adjusted interest rate that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Notes so written down or written up (as applicable).

10.4 No Penalty Interest

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

11 LOSS ABSORPTION AND DISCRETIONARY REINSTATEMENT

11.1 Write-Down upon a Trigger Event

- 11.1.1 If at any time a Trigger Event occurs the Issuer will irrevocably cancel any accrued and unpaid interest in respect of the Notes to (but excluding) the Write-Down Date (as defined below) in accordance with Clause 10 (*Interest and Interest Cancellation*) above (including if payable on the Write-Down Date); and on the Write-Down Date (without any requirement for the consent or approval of the Noteholders), reduce the then Total Nominal Amount or the Issuer's payment obligation under the Notes in accordance with Clause 11.1 (such reduction a "*Write-Down*").
- 11.1.2 Such cancellation and reduction shall take place without delay on a date selected by the Issuer in consultation with the SFSA (the "*Write-Down Date*") but no later than one month following the occurrence of the relevant Trigger Event unless, in accordance with the Applicable Capital Regulations, the SFSA has agreed with the Issuer in writing that such reduction and cancellation may occur after a longer period, in which case, on such date as agreed with the SFSA.
- 11.1.3 A Write-Down shall be made either as a reduction of the Total Nominal Amount or by means of a pooling factor, where the Issuer's payment obligation under each Note shall be reduced to a

certain percentage of the Nominal Amount and in each case such Write-Down shall be considered to be an unconditional capital contribution (*Sw. ovillkorat kapitaltillskott*) and shall be made in consultation with the SFSA and in accordance with the rules of the CSD.

- 11.1.4 The amount of the reduction of the Total Nominal Amount on the Write-Down Date shall equal the amount of a Write-Down that would restore the CET1 ratio of the Issuer to at least 5.125 per cent., and the CET1 ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such Write-Down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note corresponding to SEK 1.
- 11.1.5 A Write-Down in accordance with Clause 11.1 shall be made taking into account any preceding or imminent Write-Down or conversion of corresponding or similar loss absorbing instruments (if any) issued by the Issuer or any other member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes). To the extent the Write-Down or conversion of any corresponding or similar loss absorbing instruments is not possible for any reason, this shall not in any event prevent a Write-Down of the Notes.
- 11.1.6 For the avoidance of doubt, the Nominal Amount of each Note shall, upon the Write-Down of the Total Nominal Amount described above, be written down on a pro rata basis.
- 11.1.7 A Write-Down may occur on more than one occasion and the Notes may be written-down on more than one occasion. Any Write-Down shall not constitute an Acceleration Event.
- 11.1.8 For the purposes of determining whether a Trigger Event has occurred, (i) CET1 ratio of the Issuer or the Issuer Consolidated Situation (as applicable) will be calculated based on information (whether or not published) available to management of the Issuer, including information internally reported within the Issuer pursuant to its procedures for ensuring effective ongoing monitoring of the CET1 ratios of the Issuer or the Issuer Consolidated Situation and (ii) calculate and publish the CET1 ratios of the Issuer or the Issuer Consolidated Situation on at least a quarterly basis.

11.2 Trigger Event Notice

- 11.2.1 Upon the occurrence of a Trigger Event, the Issuer shall immediately inform the SFSA and shall as soon as practicable following the occurrence of a Trigger Event and in any event not later than five (5) Business Days following such occurrence give notice (a "**Trigger Event Notice**") to the Noteholders and the Agent in accordance with Clause 25 (*Notices*), which notice, in addition to specifying that a Trigger Event has occurred shall specify:
- (a) the Write-Down Date; and
 - (b) if then determined, the amount to be written down in accordance with Clause 11.1 (*Write-Down upon a Trigger Event*) ("**Write-Down Amount**"). If the Write-Down Amount has not been determined when the Trigger Event Notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify Noteholders and the Agent of the Write-Down Amount.
- 11.2.2 Notwithstanding paragraph 11.2.1 above, failure to give a Trigger Event Notice shall not prejudice any Write-Down of the Notes.

11.3 Reinstatement of the Notes

- 11.3.1 Following a Write-Down, the Issuer may, at its absolute discretion, reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in, and otherwise in accordance with, the Applicable Capital Regulations.

- 11.3.2 Unless a write-up of the Nominal Amount of the Notes is permitted and possible in accordance with the rules of the CSD, reinstatement shall be made by way of issuing new Notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the rules of the CSD.
- 11.3.3 A reinstatement in accordance with Clause 11.3 shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments issued by the Issuer or any other member of the Issuer Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.3.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 150,000,000.
- 11.3.5 For the avoidance of doubt, any reinstatement of the Notes shall be made on a pro rata basis.
- 11.3.6 If the Issuer decides to reinstate any portion of the principal of the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 25 (*Notices*) prior to such reinstatements becoming effective and specifying the date on which the reinstatements will become effective. Such notice shall specify the Record Date and any technical or administrative actions that a Noteholder needs to undertake to receive its portion of the reinstatement. A reinstatement of the Notes shall take place on a Business Day as selected by the Issuer, however, falling no earlier than twenty (20) Business Days following the effective date of the reinstatement notice.

12 REDEMPTION AND REPURCHASE OF THE NOTES

12.1 Perpetual Notes

The Notes constitute perpetual obligations of the Issuer and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in Clause 12 (*Redemption and Repurchase of the Notes*). The Notes are not redeemable at the option of the Noteholders at any time.

12.2 Early Redemption at the Option of the Issuer

Subject to Clause 12.6 (*Consent from the SFSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*), the Issuer may redeem all (but not only some) of the Notes on:

- (a) any Business Day falling within the Initial Call Period; or
- (b) any Interest Payment Date falling after the Initial Call Period;

in each case, at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest thereon.

12.3 Purchase of Notes by the Issuer

Subject to Clause 12.6 (*Consent from the SFSA*), the Issuer, any Group Company may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way. Any Notes repurchased by the Issuer or any Group Company may be retained, sold

or cancelled, provided that such action has been approved by the SFSA (if and to the extent then required by the Applicable Capital Regulations).

12.4 Early Voluntary Total Redemption or Substitution or Variation due to Capital Disqualification Event or Tax Event (Call Option)

Subject to Clause 12.6 (*Consent from the SFSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*), if a Capital Disqualification Event or Tax Event has occurred, the Issuer may:

- (a) redeem all, but not some only, of the outstanding Notes on any Interest Payment Date at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest thereon to (but excluding) the date fixed for redemption; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Capital Notes provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 in relation to the Qualifying Capital Notes so substituted or varied.

12.5 Early Redemption Amount

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid interest (to the extent not cancelled).

12.6 Consent from the SFSA

The Issuer may not redeem, purchase substitute or adjust, as contemplated by Clause 12 (*Redemption and Repurchase of the Notes*), any outstanding Notes without the prior written consent of the SFSA (if and to the extent then required under the Applicable Capital Regulations) and in accordance with the Applicable Capital Regulation. Any refusal by the SFSA to give its permission shall not constitute an event of default for any purpose.

12.7 Notice of Early Redemption, Substitution or Variation

12.7.1 Redemption, substitution or variation in accordance with Clause 12.2 (*Early redemption at the option of the Issuer*) and Clause 12.4 (*Early voluntary total redemption or substitution or variation due to Capital Disqualification Event or Tax Event (call option)*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any notice of redemption shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable but may, subject to the Applicable Capital Regulations and approval of the SFSA, at the Issuer's discretion contain one or more conditions precedent that shall be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Notes in full at the applicable amount on the specified Redemption Date.

12.7.2 Notwithstanding Clause 12.7.1 above,

- (a) if a Trigger Event is outstanding, no notice of redemption, substitution or variation may be given until the Trigger Event has been cured; and
- (b) if a Trigger Event occurs following a notice being given in accordance with paragraph (a) above but prior to the relevant redemption, substitution or variation of the Notes, such notice shall be of no force and effect and Clause 11.1 (*Write-Down upon a Trigger*

Event) shall apply, and, for the avoidance of doubt, no redemption, substitution or variation shall occur.

13 INFORMATION TO NOTEHOLDERS

13.1 Information from the Issuer

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

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited (consolidated, if relevant) financial statements for that financial year prepared in accordance with the Accounting Principles;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its (consolidated, if relevant) financial statements or the year-end report (Sw. bokslutskommuniké) (as applicable) for such period prepared in accordance with the Accounting Principles;
- (c) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, a report on regulatory capital for the Issuer and the Issuer Consolidated Situation (if applicable); and
- (d) from, and as long as the Notes are admitted to trading on any Regulated Market, any other information required by the Swedish Securities Markets Act (lag (2007:582) om värdepappersmarknaden) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

13.1.2 When the financial statements and other information are made available to the Noteholders pursuant to Clause 13.1.1, the Issuer shall send a copy of such financial statements and other information to the Agent.

13.1.3 The Issuer shall procure that the aggregate Nominal Amount held by the Issuer or any Group Company, including any amount of Notes cancelled by the Issuer, is clearly stated in each interim report published by the Issuer pursuant to Clause 13.1.1 (b).

13.2 Information; Miscellaneous

The Issuer shall:

- (a) prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (Sw. lag (2007:528) om värdepappersmarknaden) (as amended from time to time);
- (b) procure that each of the financial statements include a profit and loss account and a balance sheet and a cash flow statement; and
- (c) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website.

14 ADMISSION TO TRADING

14.1 The Issuer:

- (a) shall use reasonable efforts to ensure that the Notes are admitted to trading on the corporate bond list of Nasdaq Stockholm within 60 days after the Issue Date and with an intention to complete such listing within 30 days after the Issue Date or, if such admission to trading is not possible to obtain, admitted to trading on another Regulated Market within the same time period following the Issue Date; and
 - (b) once the Notes are admitted to trading on a Regulated Market, shall use reasonable efforts to maintain such admission as long as the Notes are outstanding (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other relevant Regulated Market, as applicable, and the CSD preventing trading in the Notes in close connection to the redemption of the Notes).
- 14.2 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes in case of a failure to (i) admit the Notes to trading or (ii) maintain admission to trading of the Notes, in accordance with Clause 14 occurs.

15 ACCELERATION OF THE NOTES

- 15.1 Neither a Noteholder nor the Agent has a right to accelerate the Notes or otherwise request prepayment or redemption of the Nominal Amount of the Notes, except in the event of liquidation (*Sw. likvidation*) or bankruptcy (*Sw. konkurs*) of the Issuer (an "**Acceleration Event**").
- 15.2 If an Acceleration Event has occurred, the Agent is, following the instruction of the Noteholders, authorised to:
- (a) by notice to the Issuer, declare all, but not only some, of the Notes due for payment together with any other amounts payable under the Finance Documents (except any Interest cancelled in accordance with Clause 10.2 (*Interest Cancellation*)), immediately or at such later date as the Agent determines; and
 - (b) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 15.3 The Issuer shall as soon as possible notify the Agent of the occurrence of an Acceleration Event and the Agent shall notify the Noteholders of an Acceleration Event as soon as possible when the Agent received actual knowledge of the Acceleration Event.
- 15.4 In the event of an acceleration of the Notes upon an Acceleration Event, the Issuer shall redeem all Notes at an amount equal to the Nominal Amount of the Notes together with accrued and unpaid interest (except any Interest cancelled in accordance with Clause 10.2 (*Interest Cancellation*)).
- 15.5 No payments will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders as described in Clause 2 (Status and Ranking of the Notes) have been paid by the Issuer, as ascertained by the judicial liquidator (*Sw. likvidator*) or bankruptcy administrator (*Sw. konkursförvaltare*).
- 15.6 In the event of the liquidation (*Sw. likvidation*), bankruptcy (*Sw. konkurs*) or resolution (*Sw. resolution*) of the Issuer, no Noteholder shall be entitled to exercise any right of set-off or counterclaim against monies owed by the Issuer in respect of the Notes held by such Noteholder.

16 DISTRIBUTION OF PROCEEDS

16.1 All payments by the Issuer relating to the Notes and the Terms and Conditions following an acceleration of the Notes in accordance with Clause 15 (*Acceleration of the Notes*), shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) firstly, in or towards payment pro rata of:
 - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders);
 - (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights as may have been incurred by the Agent;
 - (iii) any non-reimbursed costs incurred by the Agent for external experts that have not been reimbursed by the Issuer based on other Clauses under these Terms and Conditions; and
 - (iv) if applicable, any non-reimbursed costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure;
- (b) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 10.2 (*Interest cancellation*) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) thirdly, in or towards payment pro rata of any unpaid principal under the Notes; and
- (d) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions.

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

16.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1, such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1.

16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds according to the Escrow Funds Act (Sw. lag (1944:181) om redovisningsmedel) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with Clause 16 as soon as reasonably practicable.

16.4 If the Issuer or the Agent shall make any payment under Clause 16, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

17 DECISIONS BY NOTEHOLDERS

17.1 Request for a Decision

- 17.1.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 17.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 17.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any Person in addition to the Noteholders and such Person has informed the Agent that an approval will not be given or the suggested decision is not in accordance with applicable regulations.
- 17.1.4 The Agent shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 17.1.5 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.1.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Noteholder(s) with the information available in the Debt Register in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 17.1.6 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 17.2 (*Convening of Noteholders' Meeting*) or instigate a Written Procedure by sending communication in accordance with Clause 17.3 (*Instigation of Written Procedure*). After a request from the Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.2. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 17.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 17.1.5 or 17.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the

Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

17.2 Convening Noteholders' Meeting

17.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

17.2.2 The notice pursuant to Clause 17.2.1 shall include:

- (a) time for the meeting;
- (b) place for the meeting;
- (c) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (d) a form of power of attorney;
- (e) the agenda for the meeting;
- (f) any applicable conditions precedent and conditions subsequent;
- (g) the reasons for, and contents of, each proposal;
- (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (i) if a notification by the Noteholders is required in order to attend the Noteholders' Meeting, information regarding such requirement; and
- (j) information on where additional information (if any) will be published.

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

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

17.3 Instigation of Written Procedure

17.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

17.3.2 A communication pursuant to Clause 17.3.1 shall include:

- (a) a specification of the Record Date on which a Person must be registered as a Noteholder in order to be entitled to exercise voting rights;
- (b) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney;

- (c) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 17.3.1);
- (d) any applicable conditions precedent and conditions subsequent;
- (e) the reasons for, and contents of, each proposal;
- (f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (g) if the voting is to be made electronically, the instructions for such voting; and
- (h) information on where additional information (if any) will be published.

17.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 17.3.1, when consents from Noteholders representing the requisite majority of the aggregate Adjusted Nominal Amount pursuant to Clause 17.4.2 and 17.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5.2 or 15.5.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

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

17.4 Majority, Quorum and Other Provisions

17.4.1 Only a Noteholder or a person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 8 (Right to act on behalf of a Noteholder) from a Noteholder:

- (a) on the Record Date specified in the notice pursuant to Clause 17.2.2, in respect of a Noteholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 17.3.2, in respect of a Written Procedure,

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

17.4.2 The following matters shall require consent of Noteholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2:

- (a) a change of the terms of any of Clauses 2.1, 3.1, 15.1 or 16.1;
- (b) a mandatory exchange of the Notes for other securities (other than as contemplated in Clause 11 (*Loss Absorption and Discretionary Reinstatement*) and Clause 12 (*Redemption and Repurchase of the Notes*)).

- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 19 (*Replacement of Base Rate*));
 - (d) an early redemption, amortisation or repurchase of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to the Applicable Capital Regulations and the prior consent of the SFSA); or
 - (e) amend the provisions in Clause 17.4.2 or in Clause 17.4.3.
- 17.4.3 Any matter not covered by Clause 17.4.2 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3.2. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs 18.1(a) to 18.1(f) of Clause 18.1) or an acceleration of the Notes.
- 17.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.4.2 and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 17.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in matters for which a quorum exists.
- 17.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.2.1) or initiate a second Written Procedure (in accordance with Clause 17.3.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Noteholders' consent. The quorum requirement in Clause 17.4.5 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 17.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.4.8 A Noteholder holding more than one (1) Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.4.9 If any matter decided in accordance with Clause 17 would require consent from the SFSA, such consent shall be sought by the Issuer.
- 17.4.10 The Noteholders may not resolve to make amendments to these Terms and Conditions if the Issuer, after consultation with the SFSA, considers that a change in the Terms and Conditions would be likely to result in the exclusion of the Notes from the Additional Tier 1 Capital of the Issuer or the Issuer Consolidated Situation (an "**Additional Tier 1 Exclusion Event**"). A resolution by the Noteholders to amend these Terms and Conditions is not valid if the Issuer, after consultation with the SFSA, considers that such an amendment would be likely to result in an Additional Tier 1 Exclusion Event.

- 17.4.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that vote in respect of the proposal at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable (such time period to be no less than ten (10) Business Days).
- 17.4.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 17.4.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.4.14 If a decision shall be taken by the Noteholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such Person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 17.4.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

18 AMENDMENTS AND WAIVERS

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is made pursuant to Clause 19 (*Replacement of Base Rate*);
 - (d) is required by the SFSA for the Notes to satisfy the requirements for Additional Tier 1 Capital under the Applicable Capital Regulations as applied by the SFSA from time to time;
 - (e) is required by applicable regulation, a court ruling or a decision by a relevant authority;
 - (f) is necessary for the purpose of having the Notes admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided that such amendment or waiver does not materially adversely affect the rights of the Noteholders; or

- (g) has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.
- 18.2 The Issuer may substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Capital Notes, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 (*Early Voluntary Total Redemption, Substitution or Variation due to a Capital Disqualification Event or Tax Event (Call Option)*) in relation to the Qualifying Capital Notes so substituted or varied.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Noteholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

19 REPLACEMENT OF BASE RATE

19.1 General

- 19.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of Clause 19 shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- 19.1.2 If a Base Rate Event has occurred, Clause 19 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

19.2 Definitions

In Clause 19:

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

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

"Base Rate Amendments" has the meaning set forth in Clause 19.3.4

"Base Rate Event" means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (*Sw. krishanteringsregelverket*) containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

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

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

"Relevant Nominating Body" means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Council (*Sw. Finansiella stabilitetsrådet*) or any part thereof.

"Successor Base Rate" means:

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

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

19.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 19.3.1 Without prejudice to Clause 19.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 19.3.2.
- 19.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.
- 19.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 19.3.2, the Noteholders shall, if so decided at a Noteholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 19.3.2. If an Acceleration Event has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Noteholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- 19.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 19.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

19.4 Interim Measures

- 19.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 19.4.2 For the avoidance of doubt, Clause 19.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation

of, and to adjustments as provided in, Clause 19. This will however not limit the application of Clause 19.4.1 for any subsequent Interest Periods, should all relevant actions provided in Clause 19 have been taken, but without success.

19.5 Notices etc.

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Noteholders in accordance with these Terms and Conditions and the CSD Regulations. The notice shall also include information about the effective date of the amendments. If the Notes are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

19.6 Variation upon Replacement of Base Rate

19.6.1 No later than giving the Agent notice pursuant to Clause 19.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 19.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of Clause 19. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.

19.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 19.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to Clause 19.

19.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to Clause 19. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

19.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 19.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

20 THE AGENT

20.1 Appointment of the Agent

20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorise the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held

by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer and in relation to any mandatory exchange of the Notes for other securities (including, for the avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Noteholder). By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents.
- 20.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer.
- 20.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 20.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Noteholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 20.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it:
- (a) after the occurrence of an Acceleration Event;
 - (b) for the purpose of investigating or considering:
 - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Acceleration Event; or

- (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents;
- (c) in connection with any Noteholders' Meeting or Written Procedure; or
- (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents.

Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (Distribution of proceeds).

20.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

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

- (a) whether any Acceleration Event has occurred;
- (b) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
- (c) whether any other event specified in any Finance Document has occurred.

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

20.2.9 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with Clause 20.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

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

20.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

20.2.12 The Agent shall give a notice to the Noteholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or if it refrains from acting for any reason described in Clause 20.2.11.

- 20.2.13 Upon the reasonable request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes (at the discretion of the Agent). The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Noteholder disclose the identity of any other Noteholder who has consented to the Agent in doing so.
- 20.2.14 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Noteholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

20.3 Liability for the Agent

- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Issuer or the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Finance Documents.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

20.4 Replacement of the Agent

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 20.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or
 - (b) the Agent was dismissed through a decision by the Noteholders,
- the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
 - (b) the period pursuant to paragraph (b) of Clause 20.4.4 having lapsed.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21 THE ISSUING AGENT

- 21.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 21.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.

- 21.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

22 THE CSD

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or any admission to trading of the Notes. The replacing CSD must be authorised to professionally conduct clearing operations and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

23 NO DIRECT ACTIONS BY NOTEHOLDERS

- 23.1 A Noteholder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Noteholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

24 TIME-BAR

- 24.1 The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been time-barred and has become void.
- 24.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to the right

to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

25 NOTICES

25.1 Notices

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

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time or, if sent by e-mail by the Issuer, to such e-mail address as notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, or, if sent by e-mail by the Agent, to such e-mail address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication or if such date is not specified, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

25.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (or, if between the Agent and the Issuer, by e-mail) and will only be effective:

- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1;
- (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1; or
- (c) in case of e-mail to the Agent or the Issuer, when received in legible form by the e-mail address specified in Clause 25.1.1,

and any such notice shall be made in English.

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

26 FORCE MAJEURE

26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts,

boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

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

26.3 The provisions in Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

27 GOVERNING LAW AND JURISDICTION

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

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

ADDRESSES

The Issuer

Serafim Finans AB
Postal address
P.O. Box 16264,
SE-103 25 Stockholm, Sweden
Visiting address
Kungsgatan 12-14,
SE-111 35 Stockholm
www.serafirmfinans.se

Sole Bookrunner

Nordea Bank Abp
Postal address
Smålandsgatan 17, 105 71 Stockholm, Sweden
Visiting address Smålandsgatan 17 Stockholm
www.nordea.com

CSD

Euroclear Sweden AB
Postal address
P.O. Box 191, SE-101 23 Stockholm, Sweden
Visiting address
Klarabergsviadukten 63, Stockholm
www.euroclear.com

Auditor to the Issuer

Öhrlings PricewaterhouseCoopers AB
Postal address
SE-113 97 Stockholm, Sweden
Visiting address
Torsgatan 21,
Stockholm
www.pwc.se

Legal Adviser to the Issuer

Advokatfirman Cederquist KB
Postal address
P.O. Box 1670, SE-111 96 Stockholm, Sweden
Visiting address Hovslagargatan 3, Stockholm
www.cederquist.se