



NORTHMILL GROUP AB (publ)

PROSPECTUS REGARDING THE LISTING OF MAXIMUM SEK 1,000,000,000

SENIOR UNSECURED FLOATING RATE BONDS

ISIN: SE0011614973

Prospectus dated 11 July 2019

IMPORTANT INFORMATION TO INVESTORS

This prospectus (the “**Prospectus**”) has been prepared by Northmill Group AB (publ), reg. no. 556786-5257 (“**Northmill**” or the “**Company**”), in relation to the application for listing on the corporate bond list at Nasdaq Stockholm of maximum SEK 1,000,000,000 senior unsecured floating rate bonds issued on 3 September 2018 with ISIN code SE0011614973 (the “**Bonds**”) in accordance with the terms and conditions of the Bonds (the “**Terms and Conditions**”). The Company is a parent company in a group consisting of four subsidiaries (together referred to as the “**Group**”).

The figures included in the Prospectus have, in certain cases, been rounded off and, consequently, the tables contained in the Prospectus do not necessarily add up. All financial amounts are in Swedish kronor (“**SEK**”), unless indicated otherwise. Except as expressly stated herein, no financial information in the Prospectus has been audited or reviewed by the Company’s auditor. Financial information relating to the Company in the Prospectus that is not part of the information audited or reviewed by the Company’s auditor as outlined herein originates from the Company’s internal accounting and reporting systems.

The Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. The Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectuses, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession the Prospectus comes or any person who acquires the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration do not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in the Prospectus is accurate or complete. The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (fi.se), the European Securities and Markets Authority’s web page (esma.europa.eu) and the Company’s web page (northmill.com) and paper copies may be obtained from the Company.

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

FORWARD-LOOKING STATEMENTS

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as “believes”, “estimates”, “anticipates”, “expects”, “assumes”, “forecasts”, “intends”, “could”, “will”, “should”, “would”, “according to estimates”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “to the knowledge of” or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company’s knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company’s cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favorable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus in its entirety including all documents that are incorporated by references under the section “*Information regarding the Company’s financial reporting*”. The Company cannot give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Group operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents.

After the date of the Prospectus, the Company, is not under any obligation, except as required by law or Nasdaq Stockholm’s Rule Book for Issuers, to update any forward-looking statements or to confirm these forward-looking statements to actual events or developments.

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Definitions

Northmill, the Company or the Issuer	Northmill Group AB (publ), reg. no. 556786-5257, a public limited liability company with registered office in Stockholm, Sweden.
The Group	The Company including all of its subsidiaries.
Agent	Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, Box 7329, 103 90 Stockholm, Sweden.
The Bonds	Refers to the Senior Unsecured Floating Rate Bonds.
Terms and Conditions	Refers to the terms and conditions of Northmill's up to SEK 1,000,000,000 Bonds described in the Prospectus under section " <i>Terms and Conditions</i> ".
Euroclear Sweden	Euroclear Sweden AB, reg. no. 556112-8074, Box 191, 101 23 Stockholm, Sweden.
Nasdaq Stockholm	The corporate bond list on the regulated market operated by Nasdaq Stockholm AB.
Prospectus	This Prospectus.
SEK	Swedish krona.

RISK FACTORS

Investments in bonds always entail a risk and an investment in the Bonds issued by the Company is not an exception in this respect. A number of risk factors affect or could affect the businesses of the Company and/or of its subsidiaries, both directly and indirectly. Potential investors should give careful consideration to all the information provided in the Prospectus and in particular assess the specific risk factors mentioned below which describe certain risks inherent in an investment in the Bonds. Each of the risk factors below and could, if they are realized, have a material negative effect on the Group's business, results, financial position or outlook, or result in a reduction in the value of the Bonds and adversely affect the Company's ability to service its debt obligations, which can lead to investors losing all or part of their invested capital. The risks and uncertainties described below are not stated in order of significance and do not represent the only risks and uncertainties faced by the Group. Further risks and uncertainties of which the Company is currently not aware or perceives as being insignificant could also develop into factors that could have a material adverse effect on the Group's business, results of operations, financial condition or outlook.

RISKS RELATED TO THE GROUP'S BUSINESS AND MARKET

Supervision by the Swedish Financial Supervisory Authority ("SFSA") and failure to comply with the Swedish Banking and Financing Business Act (2004:297)

Northmill AB, a wholly owned subsidiary to the Company, holds a license from the SFSA, which authorizes Northmill AB to provide consumer credits. The SFSA has granted Northmill AB an exemption from the requirement to have a license to provide certain payment services pursuant to the Payment Services Act (2010:751). Furthermore, Northmill AB has applied for a license to conduct banking operations in accordance with the Banking and Financing Business Act (2004:297). The application is, as of the date of the Prospectus, being processed by the SFSA.

The SFSA conducts supervision of Northmill AB and may conduct both off and on-site inspections and has the power to require the production of and to obtain access to all records, documents or information relating to the consumer credit operations. The SFSA enforces compliance and can impose sanctions for failure to comply with or properly implement legal requirements. The SFSA has a wide range of administrative sanctions available to it, including an official remark or warning in connection with a conditional fine and the ability to remove a board member or managing director (but not other senior management) of a company. The SFSA can also revoke a company's licence for a variety of reasons including, but not limited to, non-compliance with existing or failure to implement new regulatory requirements.

The Company issued the Initial Bonds of SEK 500,000,000 on 3 September 2018 to a few qualified investors with an exemption from preparing a prospectus for the issue. This meant that the Company could not direct the offering of the Bonds to the public. According to the Banking and Financing Business Act (2004:297), receiving deposits from the public without a prospectus would have required a license from the SFSA that the Company did not have. According to the Company's interpretation of the term "the public", based on the preparatory works to the Banking and Financing Business Act (2004:297), this meant that the Company did not receive deposits from the public by issuing the Bonds.

During the bank application process, the SFSA has informed Northmill AB that, in the SFSA's opinion, the Company's issuance of the Bonds in combination with a subsequent admission to trading of the Bonds on a market, where the bonds may be acquired by the public, means that the Company receives deposits from the public. Moreover, the SFSA has informed Northmill AB that, although a license to conduct operations as a bank or as a credit market company according to the Banking and Financing Business Act (2004:297) is necessary when the same legal person receives deposits from the public and provides credit, the SFSA may, depending on the circumstances in the particular case, lift the corporate veil and consider several group companies as one entity. According to the SFSA, there is generally a likelihood that the SFSA will lift the corporate veil if a financial business is organized in such a way that one company receives deposits from the public and another company in the same group provides credit. The SFSA has emphasized that it has only informed Northmill AB of SFSA's interpretation of the applicable provisions of the Banking and Financing Business Act (2004:297) and not expressed an opinion on whether or not the circumstances in Northmill's case are such that the corporate veil should be lifted.

The Company is of the opinion that the Company and Northmill AB conduct their businesses in accordance with the license provided to Northmill AB and applicable laws and regulations and disagrees with the SFSA's opinion. However, there is a risk that the SFSA deems the issuance of the Initial Bonds, and the subsequent admission to trading on a market, activities subject to authorization which the Group does not have as of the date of the Prospectus and/or that the legal structure of the Group has been construed in such a way that such authorization is necessary. Although no formal action has been taken by the SFSA as of the date of the Prospectus there is a risk that the SFSA in the future decides to take action, such as ordering the Company not to issue any further bonds which may be acquired by the public after a public listing, impose fines or other administrative sanctions on the Company and/or Northmill AB, revoking Northmill AB's current license and/or rejecting Northmill AB's application to conduct banking operations, which would have a significant adverse impact on the Group's business, financial position, and results of operations.

Furthermore, there is a risk that the Group may not finance its operations through its current framework of the Bonds which means that the Group may be forced to cease its funding from the Bonds and may be obliged to repay the Bonds in full and may not be able to issue Subsequent Bonds, which would have a significant adverse impact on the Group's business, financial position, and results of operations.

Risk Management

Operating within the consumer lending sector involves taking calculated risks. These risks are taken deliberately and shall be reflected in, and covered by, the interest rates offered to the customers. Significant risks that the Group is exposed to are credit and counterparty risk, market risk, strategic risk, risks relating to disruptions in the global credit markets and economy, liquidity risk, operational risk, IT and cybersecurity risk, regulatory risk and competition and business risks. There is a risk that the Group has not implemented appropriate systems and controls to mitigate such risks and investors should be aware that there is a risk of failure to control such risks which would have an adverse impact on the performance and reputation of the business and ultimately, the Group's business, financial position and results of operations.

Macroeconomic factors

There is a risk that an adverse change in economic conditions in Europe, and/or a decline in the GDP of one of the countries or on one of the markets in which the Group operates, or on the market in any other country which, in turn, affects the countries or markets in which the Group operates would affect the Group's business. There is a risk that several factors would have an adverse effect on the general conditions on the markets and reduce economic activity in Europe, including a decline in the rate of employment, confidence of consumers and businesses in the future, household disposable income, household debt, house prices, currency markets, inflation, counter-party risk, the availability of loans and cost of borrowing, liquidity on the financial markets, and market interest rates. There is a risk that poorer market conditions and a decline in economic activity would reduce the demand for the Group's products and services and adversely affect the earnings that the Group will achieve on its products and lead to reduced volumes of credit issued. Subsequently, there is a risk that reduced revenue and increased levels of impairment charges would have an adverse effect on the Group's business, financial position and results of operations.

Competition on current market

The Group currently has a large number of competitors in the market. There is a risk that existing and new competitors on the market will grow stronger and that an increase in competition will lead to increased costs with regards to seeking out new customers, as well as retaining current customers. The Group's competitors consist of both large, well-established, financially strong companies and smaller niche companies that are particularly competitive within certain groups of products/services. There is a risk that some of the competitors will have competitive advantages over the Group, such as the ability to offer a wider range of services to customers, a higher degree of specialisation, or a larger local focus, and more substantial financial, marketing and other resources than the Group currently has. Furthermore, any increase in the volume of financial regulations could lead to increased costs for regulatory compliance which in turn could result in greater consolidation of the industry. The Group's possibility to compete also depends upon the Group's ability to anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Group's business, financial position and results of operations.

Competition on future market

Northmill AB may in the future receive a banking licence. There is a large number of competitors for banks both in the Swedish market and internationally. In Sweden, the Group's competitors are dominated by four large well-established and financially strong banks, but also smaller financially strong niche banks that might have similar concepts as the Group. There is a risk that existing and new competitors on the market will grow stronger which would adversely affect the Group's ability to enter the bank market and subsequently, to compete and grow on this market. Furthermore, any increase in the volume of financial regulations would lead to increased costs for regulatory compliance that could make it more difficult for smaller and more specialist operators to enter into this market or retain their competitive edge, resulting in greater consolidation in the industry. If the Group fails to meet the competition from new and existing companies, there is a risk that this will have an adverse effect on the Group's business, financial position and results of operations.

Anti-money laundering and fraudulent behaviour

The Group handles a large number of payments within the ordinary course of business, and is therefore exposed to risks relating to money laundering and fraud. Should the Group fail to detect fraudulent activities, such as identity theft and illegal interception of data, there is a risk that the Group will not be able to retain repayment of outstanding loans. There is a risk that lack of repayments due to the above circumstances may lead to increased costs that will not be covered by the Group's insurance, which would have an adverse effect on the Group's earnings and financial position. Further, if the Group fails to detect money laundering activities there is a risk that it will lead to fines and sanctions imposed by competent authorities, or even licenses being revoked, which would have an adverse effect on the Group's business, financial position and results of operations.

Processing of personal data

The Group registers, processes, stores and uses personal data in the ordinary course of its business on servers utilised by the Group. It is of high importance that the Group registers, processes and uses personal data in accordance with the General Data Protection Regulation ("GDPR") and other applicable personal data legislation and requirements. Data processing in breach of the GDPR could result in fines amounting to a maximum of EUR 20,000,000 or 4 percent of the Group's global turnover, whichever is the highest. If the Group fails to comply with the GDPR there is a risk that it would have an adverse effect on the Group's business, financial position and results of operations.

Changes to applicable accounting rules

The Group's business is affected by the accounting rules that, from time to time, are applied in the jurisdictions where the Group conducts business, including for example international financial reporting standards ("IFRS") or other generally accepted accounting principles ("GAAP"). The Group is, as of the date of this Prospectus, working on implementing IFRS and the Group's interim report for the second quarter 2019 will be prepared in accordance with IFRS. In January 2018, a revised version of IFRS 9 was promulgated replacing the old version of IFRS, including the new rules for financial instruments and, amongst other, regulate classification and measurement of financial instruments and impairment of financial assets. There is a risk that the Group's financial reporting and internal control when applying the current accounting rules, but also future accounting rules, will be affected by and have to be adapted to changed accounting rules or a changed application of such accounting rules. There is a risk that this entail an uncertainty regarding the Group's accounting, financial reporting and internal control and adversely affect the Group's accounted earnings, balance sheet and equity, which could have an adverse effect on the Group's operations, earnings and financial position. Further, there is a risk that new or amended legislation and regulations will call for unexpected costs or impose restrictions on the development of the business operations which will have an adverse effect on the Group's business, financial position and results of operations.

Dependency on key employees

The Group is dependent on the knowledge, experience and commitment of its employees, and to some extent consultants, for its current operations and continued development. The Group is also dependent on key individuals at management level and a number of key employees who have been employed in the Group for many years and who together have developed the day-to-day operations and system within the Group. There is a risk that such key personnel will leave the Group in the future, or that they will take up employment with a competing business. Further, there is a risk that the Group will not be able to recruit new, sufficiently capable personnel to the extent that the Group wishes. If the Group fails to keep, replace or recruit new key personnel, there is a risk that the Group loses key

individuals which would have an adverse effect on the Group's business, financial position and results of operations.

Reputation by employees or external consultants

Significant aspects of the business carried on by the Group rely on there being confidence in the Group as an operator or in the employee with whom the customer primarily communicates. Therefore, the Group's reputation is key to its ability to retain and develop relationships with existing and potential customers, but also in respect of employees, public authorities and other parties with whom the Group cooperates and conducts business. There is a risk that the Group's employees or external consultants would perform their work in such a way that has an adverse effect on the Group's reputation or business. There is a risk that accusations, that the Group's employees or external consultant have failed to perform their work correctly, would damage the Group's reputation. There is also a risk that established or alleged misconduct by other operators in the financial services market would have an adverse effect on the reputation of the market which the Group operates. Further, there is a risk that mismanagement or misconduct by the Group's employees or consultants would result in supervisory authorities claiming or establishing (based on such mismanagement or misconduct) that the Group has failed to implement satisfactory supervisory systems and procedures to inform employees or consultants about applicable rules, or to detect and manage infringements of such rules. As a result, there is a risk that adverse regulatory measures would be imposed on the Group, including fines and other sanctions. There is a risk that the measures taken by the Group to detect and prevent mismanagement and misconduct would be insufficient. If the Group's reputation is damaged, there is a risk that this would adversely affect the Group's ability to attract new customers, retain existing customers, maintain relationships with external parties, and obtain financing, which would subsequently have an adverse effect on the Group's business, financial position and results of operations.

The Group relies on its brands to maintain and attract new customers and employees. Any negative publicity or announcement relating to the Group may, whether or not it is justified, deteriorate the brand value and have a negative effect on the Group's business, financial position and results of operations.

Disputes and litigations

The Group is currently not involved in any material disputes. However, there is a risk that the Group will become involved in disputes or subject to other litigation in the future. If so, there is a risk that eventual negative outcomes of such disputes or even negative publicity in connection therewith will have an adverse effect on the Group's business, financial position and results of operations.

Competition authorities

To the Group's knowledge, it is not, and has not been, subject to any investigation by any competition authority. However, in the future, the Group could be subject to such investigations and if such investigations are initiated, there is a risk that this would have an adverse effect on the Group's business, financial position and results of operations.

Loan brokers

Some of the Group's new customers are currently directed from external third party sources, primarily loan brokers. Should such external parties, for any reason, cease to cooperate with the Group, there is a risk that this would adversely affect the inflow of new customers to the Group which would

subsequently have an adversely affect the on the Group's business, financial position and results of operations.

Risks related to the Group's business model and credit rating process

The Group has internal credit approval policies in place and apply several credit scoring models to ensure that the desired risk profile of the loan portfolio is maintained. There is a risk that the projections obtained using such models will prove inaccurate or that the Group will deviate from the models and credit approval policies when granting consumer credits, which would lead to an increased risk profile and declining credit quality of the portfolio.

There is a risk that declining credit quality and increased impairment levels will impact profitability and ultimately have an adverse effect on the Group's business, financial position and results of operations and the Issuer's ability to fulfil its payment obligations under the Bonds.

Insurance cover

The Group's insurance policies do not cover all risks that may materialise within the Group's business, for example in connection with the loan protection offered to customers or credit risks taken by the Group, resulting in the total amount of the Group's losses not being compensated by the Group's insurances in case of damages. Further, certain types of losses are not able to insure and will, thus, not be covered by the Group's insurances. If the Group's insurance coverage proves to be insufficient it will have an adverse effect on the Group's business, financial position and results of operations.

Borrowing by the Group and interest risk

The Group has incurred, and may in compliance with the limits set out in the Terms and Conditions of the Bonds further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating interest rates. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. There is a risk that an increase in interest rates would entail an increase in the Group's interest obligations, which would have an adverse effect on the Group's business, financial position and results of operations.

Interest rate risk is the risk that the Group's current and future net interest deteriorates due to an unfavourable change in the market. Interest rate risk arises when the interest rates cannot be changed simultaneously on the funding and lending sides. There is a risk that a deterioration of the Group's net interest due to an unfavourable change in the market would have an adverse effect on the Group's business, financial position and results of operations.

Risk relating to agreements with debt collectors and partners

The Group is currently collaborating with debt collectors and/or partners in order to sell off debt in connection with the Group's consumer lending. The receivables that are distressed are sold to debt purchasing companies. The Group, to some extent, sell part of its performing loans to debt collectors and/or partners. In addition, the extent to which the Group is affected by credit losses depends on its ability to sell its receivables on appropriate terms.

Should the debt collectors and/or partners which the Group collaborate with, for any reason, cease to cooperate with the Group and the Group is unable to develop further relationships with its debt collector and the Group will fail to replace such debt collector, there is a risk that it would subsequently have an adverse effect on the Group's business, financial position and results of operations.

Credit and counterparty risk and off-balance sheet items

Credit risk is defined as the risk that the Group's counterparties will be unable to perform their financial obligations to the Group. Credit risk is primarily attributable to lending/financing to customers, while a counterparty risk arises when the counterparty to the relevant member of the Group with a business relation, other than pure lending/financing from the Group, fails to perform its obligations thereunder. Therefore, even if a single customer's suspension of payments would have little effect as a whole, there is a risk that the Group's counterparties will be unable to perform their obligations. The Group is exposed to counterparty risk in all contracts, not only specifically towards its debtors, but also towards e.g. debt collectors and other contractual counterparties. If a number of counterparties are unable to perform their financial or other obligations to the Group, there is a risk that this would have an adverse effect on the Group's business, financial position and results of operations.

Credit risk is the principal risk in the Group's unsecured consumer lending. There is a risk that some debtors will not be able to repay their credit in full and on time due to variations in the debtors' payment abilities. For instance, the Group takes on credit risks on certain of its performing loans that are sold/transferred to debt collectors and/or partners. The Group also takes on credit risks on some of the performing loans which are sold/transferred to debt collectors and/or partners on recourse basis, meaning that if full repayment is not received by a debtor there is a risk that such receivables can be put back on the Group's balance sheet and the Group takes the credit risk.

In particular, the Group has entered into an agreement pursuant to which the Group sources new loans which are granted to its customers by another credit providing partner. The loans are sourced on a recourse basis, meaning that the Group assumes the credit risk for these loans. As of 31 March 2019, the Group was exposed to the credit risk for such off-balance sheet loans in the amount of approximately SEK 299,000,000 under the abovementioned agreement. There is a risk that this arrangement could be considered to be financial indebtedness of the Group, in which case such financial indebtedness would be included in the balance sheet of the Group.

The Group further sells/transfers some of the performing loans on non-recourse basis. These receivables are put on the relevant debt collector's and/or partner's balance sheet, but there is a risk that such receivables are put on the relevant debt collector's and/or partner's balance sheet based on incorrect assessments. Therefore, there is a risk that the Group takes larger credit risks than what the balance sheet initially shows in such cases.

A certain amount of delinquencies and impairments is anticipated. The Group is exposed to risks associated with the uncontrolled deterioration of the credit quality of its customers which may be driven by, for example, socio-economic or customer-specific factors linked to financial performance. There is a risk that such events have a negative effect on the Group's business, financial position and results of operations.

Credit risk arises in all lending operations, investments and other business operations where future incoming cash flows are expected from counterparties. Credit risk is a predominant factor within the Group's core businesses. Further, reliable valuation of credit opportunities is important before a credit

is granted, as an adequate margin is required to cover costs and risks. To assess the credit risk and set credit limits, a risk assessment is made before lending. The evaluation process includes making a customer credit rating based on the customers' financial situation and cross-reference with earlier behavioural statistics and other factors. An adverse change in the credit quality of the Group's customers or other counterparties or failure by the Group in correctly assessing credit quality could affect the recovery and value of the Group's assets and require an increase in provisions made for bad and doubtful debts. Provisions for these adverse changes and other provisions would consequently adversely affect the Group's business, financial position and results of operations.

In the event that any of the risks described above would materialise, the results of operations and financial position of the Group could be materially and adversely affected.

Liquidity risk

The Group operates in capital-intensive business sectors, and loans provided to consumers are paid out in cash. This requires sufficient liquidity management and that the Group has cash available prior to a loan being granted.

Liquidity risk is the risk that the Group cannot at some point generate sufficient cash flows to meet outgoing cash flows to customers or to meet other obligations that demand liquidity. Liquidity risk normally arises when the cash flows from operations are not balanced.

Availability of capital is an important factor with regard to business growth potential. If the business costs are on a stable and consistent level, greater business volume increases profitability substantially. Correspondingly, costs must be cut if sufficient capital is not available. The realisation of any of the aforementioned risks could adversely affect the Group's business, financial position and results of operations.

Licenses held by the Group

Sweden

The Group is dependent on its licence with the SFSA which authorises Northmill AB to provide consumer credit. If the SFSA were to withdraw Northmill AB's licence for any reason, the business of Northmill AB would cease and the Group might also have to cease a majority or all of its current operations. There is a risk that other administrative sanctions imposed by the SFSA would cause significant reputational risk, which would have an adverse effect on the Group's business, financial position and results of operations.

Northmill AB has applied for a banking licence during November 2017. If Northmill AB receives a banking licence, there is a risk that the Company may not comply with all regulations or requirements for its banking operation in order to maintain its banking licence granted by the SFSA. There is therefore a risk that this would have an adverse effect on the Group's business, financial position and results of operations.

Finland

According to the Finnish Act on the Registration of Certain Lenders and Credit Intermediaries (853/2016, as amended), lenders who provide consumer credit within the meaning of Chapter 7 of the Consumer Protection Act (38/1978, as amended), must register in the creditor and credit intermediary register (*Sw: Register över kreditgivare och förmedlare av person-till-person-lån*). The register is

maintained by the Regional State Administrative Agency of Southern Finland (Sw: *Regionförvaltningsverket i Södra Finland*), which is the supervisory authority with respect to the registrants' compliance with respective regulation. Northmill Oy has been entered into the register authorizing it to provide consumers with credit.

The registration into the creditor and credit intermediary register is subject to certain requirements relating to the applicant as set out in the Act on the Registration of Certain Lenders and Credit Intermediaries, including, *inter alia*, the right to conduct business in Finland, non-occurrence of bankruptcy, as well as the reliability and certain level of expertise in the field of credit business with respect to the persons responsible for conducting the business. In order to ensure the continuous fulfilment of the registration requirements, the registrants must notify the supervisory authority of any changes in Northmill Oy's management and ownership in case a natural person acquires (directly or indirectly) 10 percent or more of the shares or votes in the registrant.

In the occurrence of changes in Northmill Oy's management, Northmill Oy may not be able to meet all such registration requirements that are dependent on the persons responsible. There is a risk that any failure in fulfilling the registration requirements would lead to withdrawal from the register, and should Northmill Oy be removed from the register, the loss of right to provide consumer credit would have an adverse effect on Northmill Oy's ability to conduct its current operations and, thereby, on the Group's business, financial position and results of operations.

Changes in legislation

Current business

Various pieces of legislations and regulations (including, without limitation, competition regulations and taxes) affect the business conducted by the Group. Changes to local legislation require the Group's respective local subsidiaries to adapt operations to ensure compliance with such changes. While the Group takes comprehensive measures to comply with the legal framework and specific local regulatory requirements of each jurisdiction in which it operates, there is a risk that local courts, regulatory agencies and financial supervisory authorities would issue new regulations or interpretations or find the Group's services to be in violation of local or EU-wide legal requirements (such as licence requirements, maximum interest rate provisions, transparency requirements or other regulatory requirements). There is a risk that failure to timely implement procedures that comply with new regulations will have an adverse effect on the Group's business, financial condition, or results of operations. Further, there is a risk that new or amended legislation and regulations would call for unexpected costs or impose restrictions on the development of the business operations which would have an adverse effect on the Group's business, financial position and results of operations.

Applicable rules and regulations are undergoing significant changes and have generally been tightened since the 2008 financial crisis. For example, MiFID II¹, the so-called Fourth Money Laundering Directive² and PSD 2³ have been or are currently in the process of being implemented into national legislation. Further, on 1 September 2018 new legislation regarding increased protection for consumers borrowing monies on short term with high interests entered into force in Sweden. By establishing interest rate

¹ Markets in Financial Instruments (MiFID II) - Directive 2014/65/EU.

² Revision of the Fourth Anti-Money-Laundering Directive - Directive (EU) 2015/849

³ Payment services (PSD 2) - Directive (EU) 2015/2366.

caps and caps for costs in connection with such borrowings, the legislator is hoping that more consumers can avoid ending up in situations of over indebtedness. As a consequence of the new legislation, Northmill AB adjusted its product portfolio and the new products have lower interest rates than previous products. There is a risk that the Group will be exposed to risks that would arise as a result of uncertainty concerning regulatory changes. This includes the risk that the conditions for the Group's business would change due to changes in the interpretation of existing rules, the implementation of new rules and regulations, or other regulatory changes. The Group is also affected by the extent to which rules and regulations vary between the jurisdictions in which the Group conducts business. In addition, there is a risk that demand from customers for the Group's services and products will be affected by developments and changes in the regulatory environment, including the interpretation, application and enforcement of applicable rules and regulations by supervisory authorities, which would also result in adverse publicity for the Group or the industry as a whole.

As of 1 September 2019, new legislation will enter into force in Finland according to which there will be an interest ceiling at 20 percent for all consumer loans irrespective of the loan amount and significant restrictions on the possibilities to charge compensation for costs. As a consequence of thereof, Northmill Oy will no later than on 1 September 2019 have to alter the terms upon which it offers financial products to consumers. There is a risk that these changes will lead to decreased profitability and would ultimately have an adverse effect on the Group's business, financial position and results of operations.

Changes in regulation due to banking licence

If Northmill AB obtains a banking licence, Northmill AB will be subject to extensive rules and regulations relating to e.g. capital adequacy and liquidity requirements, which are primarily governed by the rules and regulations comprising CRD IV and CRR (and delegated and implementing acts issued thereunder), which collectively implement and modify the Basel III Accord within the European Union (jointly the "**Basel III Rules**"). The Basel III Rules contain certain capital adequacy requirements that are intended to be changeable over time and, among other things, dependent on the existence of cyclical and structural system risks. Northmill AB will be required to, at all times, comply with the specified capital adequacy and liquidity ratios, and have access to sufficient capital and liquidity. If the SFSA considers it necessary, there is a risk that the SFSA would also impose higher capital adequacy requirements on Northmill AB. Consequently, Northmill AB will be exposed to the risk of changes to applicable capital adequacy and liquidity rules, changes in SFSA's assessment of the operations in relation to the statutory requirements, and the introduction of new rules and regulations. There is a risk that relevant competent authorities would take the view that Northmill AB is not in full compliance with the requirements imposed in applicable rules and regulations or that Northmill AB is in breach of these rules and regulations, which would have an adverse effect on the Group's business, financial position and results of operations.

If the Northmill AB's business develops in a manner leading to a decline in its revenues there is a risk that this will adversely affect Northmill AB's capital coverage. There is a risk that Northmill AB will need to acquire additional capital by, for example, issuing new shares or other securities or having recourse to shareholders' equity intended for the business, which would adversely affect its development and growth. If Northmill AB fails to meet new capital adequacy requirement or fail to meet current requirements due to a decline in Northmill AB's revenues, there is a risk that this would have an adverse effect of the Group's business, financial position and results of operations.

Furthermore, there is a risk that the cost for internal governance and control would increase, including the control of regulatory compliance, due to increasingly more extensive rules and regulations. If fundamental conditions for Northmill AB's business were to change or if the regulatory environment were to change or develop, there is subsequently a risk that this would have an adverse effect on the Group's business, financial position and results of operations.

Intellectual property rights

The Group is actively working both internally but also with external third parties to protect its brands, names and domain names in the jurisdictions in which the Group operates. The Group's brands are of importance, especially Northmill, Easycredit, Credigo, Credway and Rebill. If the Group's protection of its trademarks and names is insufficient, or if the Group is not able to detect unauthorised use of its intellectual property rights in time or if the Group infringes any third party intellectual property rights, there is a risk that this will result in an adverse effect on the Group's business, financial position and results of operations.

Risks related to IT infrastructure

The Group depends on information technology to manage critical business processes but also to manage its business in general. The Group uses its IT-systems for administrative purposes and in relation to services offered to customers. The Group is dependent on its IT-systems as the business mainly operates through its IT-systems and many employees of the Group work full time with developing the IT-system within the Group. For example, all lending from the Group to its customers is given through the Group's IT-systems and is based on its credit data and sourcing programs which in turn are conducted by the Group's IT-systems and all applications for loans are filed online and approved online. There is a risk that extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of IT systems would have an adverse effect on the Group's operations. There is a risk that failure of IT systems used by the Group, which are dependent on the IT infrastructure of the Group's IT partners' and suppliers', would cause transaction errors and loss of customers as well as loss of profit, and that this would have an adverse effect on the Group, its employees, and those with whom the Group does business. Further, there is a risk that negative publicity would have an adverse effect on the Group's business, financial position and results of operations.

The Group has recently launched its first product on a new platform called Rebill and is currently working on further products. There is a risk that the Rebill platform, and the products intended to be offered through the platform, will be time and cost consuming and not work as intended. If the new platform will not comply with the demand from customers or the system would fail to handle information as intended, there is a risk this will have an adverse effect of the Group's business, financial position and results of operations.

Operational risks

The Group's business depends on its ability to process transactions efficiently and accurately, and on collecting intelligence on customer profiles for its sourcing models. The Group is affected by certain factors to maintain and develop business intelligence systems (including lending models), maintain financial and operating controls, monitor and manage its risk exposures, keep accurate records, provide high-quality customer service and develop and sell profitable products and services in the future. Such factors are critical to the success of the Group's business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its

information technology, and the successful development and implementation of new systems. However, there is a risk that losses will occur from inadequate or failed internal control processes and protection systems, human error, fraud or external events that interrupt business operations. There is a risk that this will result in losses of data and failure to provide quality services to customers.

If any of the above risks materialise, the interruption or failure of the Group's information technology and other systems would impair the Group's ability to provide its services effectively and this would adversely affect the Group's business, financial position and results of operations.

Currency risk

The Group operates in Finland, Sweden and has the majority of its IT-development in Poland. The Group generates revenue in EUR and SEK and has cost items in SEK, EUR and PLN. However, the Group's reporting currency is SEK and the Group is as a consequence exposed to currency exchange risks to the extent that the assets, liabilities, revenues and expenses of the Group are denominated in currencies other than EUR. Consequently, there is a risk that fluctuations in the value of SEK relative to EUR and PLN will adversely affect the amount of these items in the Group's consolidated financial statements, even if the value has not changed in the original currency.

Refinancing risk

Refinancing risk is defined as the risk that financing cannot be obtained at a particular time, that financing can only be obtained at greater expense, or that lenders have difficulty in discharging their obligations. The Group's existing external debt is mainly based on loans.

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt depends, among other things, on the conditions of the credit markets, the capital markets and the Group's own financial condition at such time. There is a risk that the Group's access to financing sources will not be available on favourable terms or not available at all. If the Group is unable to refinance its debt obligations on favourable terms, or to refinance them at all, there is a risk that this would have an adverse effect on the Group's business, financial position and results of operations and on the prospects of recovery by the bondholders under the Bonds.

Risks related to acquisitions

From time to time, the Group may evaluate acquisitions that are in line with the Group's strategic objectives and the Group has also made such acquisitions in the past.

There is a risk that future acquisitions will be subject to unidentified risks and undertakings by the Group to pay additional purchase price to the sellers. There is a risk that such additional payments would have an adverse effect on the Group's business, financial position and results of operations.

There is a risk that future acquisition activities will present certain financial, managerial and operational risks, including difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which do not achieve sales levels and profitability that justify the investments made by the Group. If the future acquisitions are not successfully integrated, there is a risk that the Group's business, financial condition and results of operations will be adversely affected. Also, there is a risk that future acquisitions will result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment

of goodwill or restructuring charges, any of which will have an adverse effect on the Group's business, financial position and results of operations.

Risk related to insurances offered by the Group

Northmill AB is acting as an intermediary to an insurance company which offers, payment protection and income protection insurance policies according to which customers on certain conditions are insured against risks of unemployment, sickness and death. The Group retains commission for a successful intermediary of these insurance policies. Since the Group is not an insurance company, no compensation is payed from the Group. However, since the Group retains commissions for its intermediary, there is a risk that a decline in sales of insurance policies would result in reduced revenues from commissions and increased risks for credit losses since less customers would have insurance coverage. If any of these events would materialise, it would have an adverse effect of the Group's business, earnings and financial position.

RISKS RELATING TO THE BONDS

Credit risks

Investors in the Bonds carry a credit risk towards the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. Another aspect of the credit risk is the risk that a deteriorating financial position of the Group will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

Refinancing risk

There is a risk that the Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that the Issuer's access to financing sources will not be available on favourable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have an adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Issuer will be required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. There is a risk that events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, will affect the Issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions would result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in the Issuer having to repay the bondholders at the applicable call premium. There is a risk that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds bear a floating rate interest of 3 months STIBOR plus 8 per cent. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

Liquidity risks and secondary market

Pursuant to the Terms and Conditions there is an obligation to list the Bonds on the corporate bond list of Nasdaq Stockholm no later than 12 months from the first issue date. However, there is a risk that the Bonds will not be admitted to trading within the aforementioned time frame, or at all. If the Issuer fails to procure listing in time, investors holding Bonds on an investment savings account (Sw. ISK or IS-konto) will no longer be able to hold the Bonds on such account, thus affecting such investors tax situation. Even if the Bonds are admitted to trading on the aforementioned market, there is a risk that active trading in the Bonds does not always occur and there is a risk that a liquid market for trading

in the Bonds will not occur even if the Bonds are listed. There is a risk that this result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

The Bonds are, as of the date of the Prospectus, listed on the Frankfurt Stock Exchange Open Market. There is a risk that the lack of liquidity in the market, even if the Bonds will be listed on Nasdaq Stockholm or another regulated market, will have an adverse effect on the market value of the Bonds. Furthermore, there is a risk that the nominal value of the Bonds will not be indicative compared to the market price of the Bonds. It should also be noted that during a given time period there is a risk that it will be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

There is a risk that the market price of the Bonds will be subject to significant fluctuations in response to actual or variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, the global financial markets have experienced significant price and volume fluctuations in the past. Should this be repeated in the future there is a risk that it will adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. This would have an adverse effect on the Group's operations, earnings, results and financial position.

Risks relating to the Bonds being unsecured

The Bonds will represent an unsecured obligation of the Issuer. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or full value of their investment in the Bonds. The bondholders will only have an unsecured claim against the assets (if any) in the Issuer for the amounts under or in respect of the Bonds, which means that the bondholders normally would receive payment (pro rata with other unsecured non-priority creditors to the extent permitted by applicable law relating to creditors' rights in the event of insolvency) after any priority creditors have been paid in full. Each investor should be aware that by investing in the Bonds, it risks losing the entire, or part of, its investment in the event of the Issuer's liquidation, bankruptcy or company re-organisation. Further, the Group currently has outstanding secured debt and may in the future incur additional secured debt. Consequently, there is

a risk that an enforcement of security furnished under such secured obligations will adversely affect the bondholders' recovery under the Bonds.

The Issuer is dependent on its subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' availability of cash, and their legal ability to make dividends and there is a risk that this will from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that the investors' ability to receive payment under the Terms and Conditions will be adversely affected.

Subsidiaries, structural subordination and insolvency of subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and law restriction. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds will be structurally subordinated to the liabilities of the subsidiaries. There is a risk that the Group and its assets will not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, there is a risk that defaults by, or the insolvency of, certain subsidiaries of the Group would result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Security over assets granted to third parties

The Group currently and may in the future incur additional financial indebtedness and provide security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group company under the relevant finance documents, such enforcement would have an adverse effect on the Group's assets, operations and ultimately the position of the bondholders' recovery.

Currency risks

The Bonds will be denominated and payable in SEK. If bondholders in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

Majority owner

Following any potential change of control in the Issuer, there is a risk that the Issuer will be controlled by a majority shareholder whose interests will conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, there is a risk that it would have an adverse effect on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment.

Put options

The Bonds will be subject to prepayment at the option of each bondholder (put options) if (i) the Bonds are not listed on Nasdaq Stockholm or any other regulated market within one year from the First Issue Date (ii) the Bonds cease to be listed on Nasdaq Stockholm and the CSD, or (iii) any person or group of persons, other than the Main Shareholders (as defined in the Terms and Conditions of the Bonds), acquire control of the Issuer and where "control" means (a) controlling, directly or indirectly, more than 50 percent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions of the Bonds, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, would bring its own action against the Issuer (in breach of the Terms and Conditions of the Bonds), which would adversely affect an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. There is a risk that failure of all bondholders to submit such a power of attorney would adversely affect the legal proceedings. Under the Terms and Conditions of the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions of the Bonds in a manner that is undesirable for some of the bondholders.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds. The Agent has, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent, as the representative of the holders of the Bonds, will be subject to the provisions of the Terms and Conditions of the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions of the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions of the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. There is a risk that it will be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the Terms and Conditions or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Bondholders' meetings

The Terms and Conditions of the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions of the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will impact bondholders' rights in a manner that is undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. There is a risk that restrictions relating to the transferability of the Bonds would have an adverse effect for some of the bondholders.

Risks relating to the clearing and settlement in Euroclear Sweden AB's book-entry system

The Bonds will be affiliated to Euroclear Sweden AB's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear Sweden AB's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear Sweden AB's account-based system and there

is a risk that any problems thereof would have an adverse effect on the payment of interest and repayment of principal under the Bonds.

Amended or new legislation

The Terms and Conditions is based on Swedish law in force at the date of issuance of the Bonds. There is a risk that amended or new legislation and administrative practices will adversely affect the investor's ability to receive payment under the Terms and Conditions.

STATEMENT OF RESPONSIBILITY

The First Issue Date of the Bonds were on 3 September 2018 and the issue was made based on a decision by the Board of Directors of the Company on 16 August 2018. The Prospectus has been prepared in relation to the Company's admission to trading of the Bonds on the corporate bond list on the regulated market Nasdaq Stockholm, in accordance with the Directive 2003/71/EC together with any applicable implementing measures, including Directive 2010/73/EC and the Commission Regulation (EC) No 809/2004 (including the Commission Regulation (EC) No 486/2012) and Ch. 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Board of Directors of the Company is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information in the Prospectus is, to the best of the Board of Directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm, 11 July 2019

Northmill Group AB (publ)

The Board of Directors

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The complete terms and conditions can be found in the under the section "Terms and conditions of the Bonds" in the Prospectus.

Concepts and terms defined in the section "Terms and Condition of the Bonds" are used with the same meaning in this description unless otherwise is explicitly understood from the context.

The Issuer:	Northmill Group AB (publ), reg. no. 556786-5257, a public limited liability company, having its registered address at Färögatan 33, 164 51 Kista, Sweden.
Status of the Bonds:	<p>The Bonds are debt instruments (Sw. <i>skuldförbindelser</i>) 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 the Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.</p> <p>The Bonds constitute direct, unconditional unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.</p>
Transferability:	The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject.
ISIN-code:	SE0011614973
Short name:	NMILL 101
First Issue Date:	3 September 2018
Nominal Amount:	The initial nominal amount of each Initial Bond is SEK 1,250,000 (the " Initial Nominal Amount "). The maximum total nominal amount of the Initial

Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The minimum permissible investment upon issuance of the Bonds is SEK 1,250,000.

The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,000,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Nominal Amount**”). All Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of one hundred (100.00) per cent of the Nominal Amount. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.

Subsequent Bond Issue:

The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000. The ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date and other rights applicable to the Bonds issued on the First Issue Date shall apply also to Subsequent Bonds. The price of Subsequent Bonds may be set at par, at a discount or at a higher price than the Nominal Amount.

Denomination:

The Bonds are denominated in SEK.

Use of proceeds:

The proceeds from the Bond Issue will be used to (i) refinance existing interest bearing debt in an amount of SEK 270,000,000, (ii) finance Transaction Costs and (iii) finance general corporate purposes of the Group.

Interest rate:

Floating rate of STIBOR (3 months) + 8.00 per cent *per annum*.

Interest paid under the framework of the bond loan is calculated using the reference value STIBOR. The reference value STIBOR is provided by the Financial Swedish Benchmarks AB. As of the date of the Prospectus, the Financial Swedish Benchmarks AB is not registered in the register of administrators and reference values provided by

ESMA in accordance with article 36 of (EU) Regulation 2016/1011 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 “Benchmark Regulation”). As far as the Company is aware of, as of the date of the Prospectus, the transitional provisions in article 51 of the Benchmark Regulation is applicable which means that the Financial Swedish Benchmarks AB does not yet have to apply for authorization or registrations (or apply for equivalence, recognition or approval if the reference value is provided by an administrator located in a third country).

Interest Payment Date:

3 March, 3 June, 3 September, and 3 December each year. The first Interest Payment Date was 3 December 2018. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full).

Interest Period:

In respect of the first Interest Period, the period from (but excluding) the First 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).

Final Maturity Date:

3 September 2021.

Voluntary redemption (call option):

The Issuer may redeem all, but not only some, of the Bonds in full:

(i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 102.40 per cent. of the Nominal Amount plus the remaining interest payments up to and including the First Call Date together with accrued but unpaid Interest;

(ii) any time from and including the First Call Date to, but excluding, the date falling 30 months after the First Issue Date at an amount per Bond equal

to 102.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

(iii) any time from and including the date falling 30 months after First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and

(iv) notwithstanding the above, provided that the redemption is financed by way of one or several Market Loan issues, at any time from and including the date falling 33 months after First Issue Date to, but excluding, the Final Maturity Date. at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.

Redemption in accordance with the above shall be made by the Company giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Company's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Company is bound to redeem the Bonds in full at the applicable amounts.

Voluntary partial redemption upon an Equity Claw Back (call option):

The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the total Initial Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond pro rata. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and, shall

for the non-call period (until the First Call Date) be the price set out in the Terms and Conditions.

Partial redemption in accordance with this Clause 9.4 in the Terms and Conditions shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Swedish Kronor and paid to the person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option):

Upon the occurrence of a Change of Control Event or Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure Event pursuant to Clause 10.1 (d) in the Terms and Conditions (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure Event.

The notice from the Issuer pursuant to Clause 10.1(d) in the Terms and Conditions shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer or a person designated by the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(d) in the Terms and Conditions. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a) in the Terms and Conditions.

Redemption at maturity:	The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.
The right to receive payments under the Bonds:	Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
Change of Control Event:	Means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.
Listing Failure Event:	Means (a) that the Initial Bonds have not been admitted to listing on First North Stockholm, or any other MTF or a Regulated Market, within 60 days of the First Issue Date (provided that the Issuer has used its best efforts to list the Initial Bond no later than 30 days after the First Issue Date); (b) that that any Subsequent Bonds have not been listed on First North Stockholm, or any other MTF or a Regulated Market, within 60 days after the issuance of such Subsequent Bonds (provided that the Issuer has used its best efforts to list such Subsequent Bonds no later than 30 days after the issuance of such Subsequent Bonds); (c) that the Initial Bonds and any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm or any other Regulated Market within one (1) year after the First Issue Date; (d) that the Bonds cease to be listed on First North Stockholm or the

corporate bond list on Nasdaq Stockholm (as applicable) (however, taking into account the rules and regulations of First North Stockholm, Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

Prescription:

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

Action by Bondholders':

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

A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

Agent:

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, Box 7329, 103 90 Stockholm, Sweden.

Rating:

Neither the Issuer nor the Bonds have received a credit rating.

Listing of the Bonds on the corporate bond list on Nasdaq Stockholm:	The Company will submit an application for listing of the total framework of the Bonds, amounting to a total of SEK 1,000,000,000 on the Corporate Bond List on the regulated market Nasdaq Stockholm in connection with the approval of the Prospectus by the Swedish Financial Supervisory Authority (the “ SFSA ”). Each Bond has a Nominal Amount of SEK 1,250,000. A maximum of 800 Bonds may be admitted to trading under the framework and an amount 400 will be admitted to trading from the Initial Bond issue. The preliminary first day of trading in the Bonds is on or about 15 July 2019.
Securities register (Sw. <i>skuldbok</i>):	The Bonds are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE 101 23 Stockholm, Sweden. Holdings of the Bonds are registered on behalf of the Holders on a securities account and no physical Bonds have, or will be, issued. The Bondholders' financial rights such as payments of the Nominal Amount and interest, as well as, if applicable, withholding of preliminary tax will be made by Euroclear Sweden.
Listing costs:	Cost and expenses incurred by the Company in connection with the listing of the Bonds such as expenses for admission to trading in relation to the SFSA and Nasdaq Stockholm (excluding Nasdaq Stockholm’s annual fee) as well as fees to advisors is estimated to be approximately SEK 200,000.
Governing law:	The Bonds have been issued in accordance with Swedish law.
Withholding tax:	<p>Euroclear Sweden AB or the trustee (in the case of nominee-registered securities) applies deduction for preliminary tax, currently 30 percent, on paid interest for natural persons resident in Sweden.</p> <p>The above description does not constitute tax advice. The description is not exhaustive but is intended as a general information about some applicable rules. Creditors themselves will assess the tax consequences that may arise and consult tax advisors.</p>

BUSINESS OVERVIEW

Northmill

Introduction to Northmill

The Group's business is lending, credit mediation (in Finland) and insurance intermediation to individuals. The Group's operations are conducted and its services provided exclusively on the internet. Credit granting is conducted in the subsidiaries Northmill AB and Northmill Oy and comprises lending to the public in the Swedish and Finnish markets. Northmill AB is under the supervision of the Swedish Financial Supervisory Authority as a Swedish consumer credit institution licensed according to the Certain Consumer Credit-related Operations Act (2014: 275). Northmill Oy has a similar license in Finland from the Regional State Administrative Agencies.

Northmill is a fintech company, and the Company's operations are characterized by the pursuit of cost efficiencies and scalability through the use of efficient IT support and automated processes. As an efficient organization, the Group has minimized the lead-time from idea to implemented service, ready to be launched. It has made it possible to develop customer-centric and competitive products. Operations are conducted at the headquarters in Kista, Stockholm and the offices in Helsinki, Finland and Katowice, Poland.

History of Northmill

Northmill AB was founded in Stockholm in 2006. The vision was to use new technology to improve people's financial life and create a more inclusive financial system that promotes financial inclusion, development and the society at large.

During 2007, Northmill develops a proprietary technology platform and starts granting credit to private individuals in Sweden under the brand name Easycredit. Inspired by the travel industry, Northmill, in 2013 accelerates and initiates its multi-brand strategy by launching its second brand, Credigo.

In 2015, Northmill expands its business to Finland and launches in Sweden its first revolving credit facility that provides the customer with a free line of credit to be used if needed under the brand Credway.

With over 150,000 customers in total and a new license as a Swedish financial institution under the supervision of the Swedish Financial Supervisory Authority, Northmill takes a leap in 2016 in the Company's growth journey and establishes an IT-department in Poland.

In 2017, Northmill's journey continues with the launch of its first mediated insurance product and grows to over 70 employees and files for a banking license with Swedish Financial Supervisory Authority.

In 2018, the Company launches its fourth brand, Rebill. A next-generation product for everyone, with the intention of helping people save both time and money. As always, the customer was at the center during the development of Rebill, and it was all made possible through technology. During 2018, Northmill AB has also applied for, and been granted, an exemption from the requirement to have a license to carry out certain payment service activities as a registered payment service provider in accordance with the Payment Services Act (2010:751). Northmill AB has also applied for a license to conduct banking operations in accordance with the Banking and Financing Business Act (2004:297). The application is, as of the date of the Prospectus, being processed by the SFSA.

Vision and ideology

Technology is a part of the Group's DNA, and Northmill was founded on the simple vision to create products that help people simplify and optimize their financial lives.

Business model

The Group's product offering consists of annuity loans, account credits, and insurance brokerage. The Group provides its offering under four different brands; Credway, Credigo, Easycredit and Rebilla. The Group also offers a credit card under the brand Rebilla, but the credit card is in a test mode and not yet launched on a commercial scale. Proprietary cloud-based technology allows the company to develop top-of-the-line digital services. Since the inception of Northmill AB in 2006, the Group has been data-driven with a focus on effective and automated processes, a strong customer offering and scalable technology.

The chart below shows the structure of the business model.



In Sweden, in 2018, the Group ended its product offering in the segment short-term credits with a maturity of up to 90 days. In line with the Groups' long-term strategy, loan intermediation of annuity loans also ceased. Starting in September 2018, the focus shifted towards revolving credits offered under three different brands; Easycredit, Credigo and Credway. Various insurance solutions are offered in addition to credits, through brokerage.

In 2019, the Group launched Rebilla Reduce in Sweden. Rebilla Reduce is a product according to which customers are offered a loan with a lower interest rate and/or lower costs than on their existing credits.

In Finland, annuity loans are offered to customers via intermediation. The products are offered under two brands: Easycredit and Credigo. The products are of the same character as in Sweden but differ slightly in maturities and credit amounts.

Licenses held by the Company

Northmill AB has applied for a license to conduct banking operations in accordance with the Banking and Financing Business Act (2004:297). The application is, as of the date of the Prospectus, being processed by the SFSA. During the bank application process, the SFSA has informed Northmill AB that, in the SFSA's opinion, the Company's issuance of the Bonds in combination with a subsequent

admission to trading of the Bonds on a market, where the bonds may be acquired by the public, means that the Company receives deposits from the public. Moreover, the SFSA has informed Northmill AB that, although a license to conduct operations as a bank or as a credit market company according to the Banking and Financing Business Act (2004:297) is necessary when the same legal person receives deposits from the public and provides credit, the SFSA may, depending on the circumstances in the particular case, lift the corporate veil and consider several group companies as one entity. According to SFSA, there is generally a likelihood that the SFSA will lift the corporate veil if a financial business is organized in such a way that one company receives deposits from the public and another company in the same group provides credit. The SFSA has emphasized that it has only informed Northmill AB of SFSA's interpretation of the applicable provisions of the Banking and Financing Business Act (2004:297) and not expressed an opinion on whether or not the circumstances in Northmill's case are such that the corporate veil should be lifted.

The Company is of the opinion that the Company and Northmill AB conduct their businesses in accordance with the license provided to Northmill AB and applicable laws and regulations and disagrees with the SFSA's opinion. However, there is a risk that the SFSA deems the issuance of the Initial Bonds, and the subsequent admission to trading on a market, activities subject to authorization which the Group does not have as of the date of the Prospectus and/or that the legal structure of the Group has been construed in such a way that such authorization is necessary. Although no formal action has been taken by the SFSA as of the date of the Prospectus there is a risk that the SFSA in the future decides to take action, such as ordering the Company not to issue any further bonds which may be acquired by the public after a public listing, impose fines or other administrative sanctions on the Company and/or Northmill AB, revoking Northmill AB's current license and/or rejecting Northmill AB's application to conduct banking operations, which would have a significant adverse impact on the Group's business, financial position, and results of operations.

For full information regarding the risks in relation to potential non-compliance with the Swedish Banking and Financing Business Act (2004:297), see section *"Risk factors - Risks related to the Group's business and market - Supervision by the Swedish Financial Supervisory Authority ("SFSA") and failure to comply with the Swedish Banking and Financing Business Act (2004:297)"*.

Organization

The Group is currently active in three countries: Sweden, Finland and Poland. The Company's headquarters, where all common functions are located except the IT-department, is located in Sweden. The Group's Finnish subsidiary has a commercial organization managed by a Country Manager. The Group's IT-department is located both in Sweden and Poland. The Group's products are only targeted at customers in Sweden and Finland. The average number of full-time employees during the period of January–December 2018 was 73 (FTE), an increase of 23.7 percent compared to the previous year. The number of full-time positions also included temporary employees. At the end of 2018, the proportion of women was 33 percent and men was 67 percent. Employee turnover was 18.2 percent during the year.

INFORMATION REGARDING THE COMPANY'S FINANCIAL REPORTING

The historical financial information in the Prospectus consists of the Company's consolidated financial information for the financial year ended 31 December 2018 and has been prepared in accordance with the Annual Accounts Act (Sw. *Årsredovisningslagen*) and the Swedish Accounting Standards Board's general advice (Sw. *Bokföringsnämndens allmänna råd*) BFNAR 2012:1 Annual and consolidated accounts (K3). The annual report for the financial year ended 31 December 2018 has been audited by the Company's auditor.

Furthermore, the historical financial information in the Prospectus consists of the Company's interim financial report for the period 1 January - 31 March 2019 prepared in accordance with the same accounting principles as for the financial year 2018. The interim financial report for the period 1 January - 31 March 2019 has not been review or audited by the Company's auditor.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

The Company's annual report for the financial year ended 31 December 2018 and the interim financial report for the period 1 January - 31 March 2019 is available at the Company's web page, northmill.com/about/investor-relations/.

Significant adverse changes

Northmill AB has applied for a license to conduct banking operations in accordance with the Banking and Financing Business Act (2004:297). The application is, as of the date of the Prospectus, being processed by the SFSA. During the application process the SFSA has informed Northmill AB that in the SFSA's opinion the issuance of the Bonds in combination with subsequent admission to trading of the Bonds on a market, where the Bonds may be acquired by the public, means that the Company receives deposits from the public and also informed Northmill AB that the circumstances may be such that the SFSA may lift the corporate veil and consider the Company and Northmill AB as one entity. In such case, the Group would for its current operations need an authorization in accordance with the Swedish Banking and Financing Business Act (2004:297) and which is not covered by the Group's current licenses as of the date of the Prospectus. For full information regarding the risks in relation to potential non-compliance with the Swedish Banking and Financing Act (2004:297), see section "*Risk factors - Risks related to the Group's business and market - Supervision by the Swedish Financial Supervisory Authority ("SFSA") and failure to comply with the Swedish Banking and Financing Business Act (2004:297)*" and "*Business overview - Licenses held by the Company*".

Recent events

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

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

Northmill is a Swedish public limited liability company. The Company's corporate governance is based on Swedish law and internal rules and instructions. The Company does not apply the Swedish Corporate Governance Code as of the date of the Prospectus.

Board of Directors

The Board of directors shall, as determined by the shareholder's meeting and the articles of association, consist of no less than three (3) and no more than ten (10) members. As of the date of the Prospectus, Northmill's Board of Directors consists of six (6) ordinary members, including the chairman of the Board, with no deputy Board member, all of whom are elected for the period up until the end of the annual shareholders' meeting 2020. The table sets out the members of the Board of Directors and the year of their initial appointment.

Name	Position	Member since
Margareta Lindahl	Chairman of the Board	2018
Per Granath	Member of the Board	2018
Björn Hazelius	Member of the Board	2017
Erik Fagerland	Member of the Board	2017
Karl Källberg	Member of the Board	2019
George Kurt	Member of the Board	2009

Margareta Lindahl (Chairman of the Board)

Born: 1976

Margareta joined Northmill's board in 2018. She has extensive experience in finance and risk management, with roles like Head of Corporate Banking at Landshypotek Bank, Head of Risk Management at Transcendent Group, and Risk Analyst at the FSA (Sw. Finansinspektionen). Margareta has an education in Agricultural Economics from the Swedish University of Agricultural Sciences.

Other current significant assignments: Member of the Board in Konsultbyrå Margareta Lindahl AB.

Per Granath

Born: 1954

Per joined Northmill's board in 2018. He has worked in several leadership positions, among them as CEO at Humana during the company's public listing, and as Vice President at Handelsbanken's corporate finance. Per holds an MSc in Chemical Engineering from the Royal Institute of Technology and an Executive Education from Harvard Business School.

Other current significant assignments: Chairman of the Board in Aktiebolaget Salktennis. Member of the Board in Humana AB (publ), Capacent Holding (publ), Svefa Holding AB (publ) and G & S Fastigheter i Sverige AB. Founder and CEO of Broviken Gruppen AB.

Björn Hazelius

Born: 1954

Björn joined Northmill's board in 2017. He has held several leading roles within the banking industry, including as CEO at Nordic Finance and GE Capital's financing company in Benelux. Björn holds a BA from Uppsala University.

Other current significant assignments: Member of the Board in Nordic Finance Business Partner AB and NF Holding AB.

Erik Fagerland

Born: 1956

Erik joined Northmill's board in 2017. He has over 30 years' experience in the financial industry, with a specialization in compliance and control at companies such as Bluestep Finans and Hoist Kredit. Erik holds an MSc in Civil Engineering from Chalmers University of Technology and an MSc in Accounting and Finance from Gothenburg University.

Other current significant assignments: Member of the Board in Erik Fagerland Projekt AB.

Karl Källberg

Born: 1956

Karl joined Northmill AB's board in 2018 and Northmill's board in 2019. He has over 20 years of experience from the financial industry, with roles like Head of Model and Product Development at UC and Risk Manager at SEB. Karl holds a BSc in Statistics & Economics from Stockholm University.

Other current significant assignments: None.

George Kurt

Born: 1981

George co-founded Northmill AB in 2006 and became Chief Strategy Officer in 2018. Before Northmill, George was a serial entrepreneur in the textile and marketing industries.

Other current significant assignments: None.

Senior management**Hikmet Ego (CEO)**

Born: 1974

Hikmet co-founded Northmill AB in 2006 and became Chief Executive Officer in 2009. He has experience from the IT industry as a consultant and project manager. Hikmet holds an MSc in Industrial Engineering from the Royal Institute of Technology.

Other current significant assignments: None.

Tobias Ritzén (CFO)

Born: 1988

Tobias joined Northmill as Chief Financial Officer in 2018. He has experience from the corporate finance sector as a financial advisor and project manager, most recently at Ernst and Young Corporate Finance. Tobias holds an MSc in Business and Economics from Linköping University.

Other current significant assignments: None.

Sargon Kurt (COO)

Born: 1985

Sargon co-founded Northmill AB in 2006 and became Chief Operating Officer in 2017. Sargon has an entrepreneurial background in marketing, with an education in Strategic Marketing from Folkuniversitetet in Stockholm.

Other current significant assignments: None.

George Kurt (CSO)

Born: 1981

See description under the section "Board of Directors" above.

Auditor

Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor at the Annual General Meeting on 21 May 2019 with Daniel Algotsson as the auditor in charge. Daniel Algotsson is an authorized public accountant and a member of FAR (professional institute for authorized public accountants). Daniel Algotsson's office address is C/o Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm.

Other information about the Board of Directors and senior management

Sargon Kurt and Georg Kurt are brothers and Hikmet Ego is their cousin.

Other than the above stated, there are no family ties between any of the members of the Board of Directors or senior management.

There are no material conflicts of interest or potential material conflicts of interest between the obligations of members of the Board of directors and senior management of the Company and their private interests and/or other undertakings.

All members of the Board of Directors and the members of the senior management are available at the Company's head office in Stockholm, Sweden.

Financial interests

All members of the Board of Directors, except Karl Källberg, and the senior management have a financial interest in the Company through their direct and indirect, holdings of shares or share options in the Company.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

General

The Company's legal name and trade name is Northmill Group AB (publ), registration number 556786-5257, having its registered address at Färögatan 33, 164 51 Kista, telephone: +46 (0)8 558 033 38, and is the issuer of the Bonds. The Company's business is conducted in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen*) (SFS 2005:551) and governed by Swedish law. The Company is a Swedish public limited liability company that was formed in Sweden and registered with the Swedish Companies Registration Office on 31 July 2009. The current legal name of the Company was registered on 14 December 2017. The Company's registered office is located in Stockholm, Sweden.

Share capital

The Company has only issued ordinary shares. In accordance with the Company's Articles of Association, adopted by the General Meeting in 2018, the share capital must be no less than SEK 500,000 and not exceed SEK 2,000,000, and the number of shares shall be not less than 100,000 and not exceed 400,000. As of the date of the Prospectus, the Company's share capital amounted to SEK 500,000 distributed among a total of 111,176 shares. The shares are denominated in SEK and each share has a nominal value of approximately SEK 4.50. All issued shares are fully paid. All shares have equal voting rights at a general meeting and carry equal rights to dividends as well as the Company's assets and any surplus in event of liquidation.

Articles of association

In accordance with §3 in the Company's articles of association the Company's objective is to own and manage real property and chattels and to acquire and manage shares in other companies and conduct any activities related to the aforementioned.

Group structure

The Group consists of five companies including the parent company of which three are incorporated in Sweden, one in Poland and one in Finland. All subsidiaries are directly or indirectly wholly owned. Of the Company's revenues in 2018, SEK 15 million was intra-Group income from subsidiaries. Of the Company's expenses in 2018, there were no intra-Group expenses from subsidiaries. The Company is consequently dependent on these group companies for the generation of profits and cash flow to service its payment obligation under the Bonds. A significant part of the Group's assets and revenues relate to the Company's subsidiaries. The Group is dependent on its licence with the SFSA. If the SFSA were to withdraw Northmill AB's licence for any reason, the business of Northmill AB would cease and the Group might also have to cease a majority or all of its current operations. Northmill Group AB (publ) owns the subsidiaries Northmill AB (100 percent) and Privatspar Fintech AB (100 percent).

Ownership structure

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the Board of directors and the instructions for the managing director adopted by the Company.

The Company has only issued ordinary shares. As of the date of the Prospectus, the total number of outstanding shares in Northmill amounts to 111,176. The following shareholders in Northmill are, as of 31 March 2019 including any known subsequent changes, holders of five percent or more of the share capital or votes: (i) Hikmet Ego (19 percent of the share capital and votes); (ii) George Kurt (19

percent of the share capital and votes), (iii) Sargon Kurt (19 percent of the share capital and votes and (iv) Barego Holdings AB (18 percent of the share capital and votes).

Shareholders' agreements

All shareholders in the Company are parties to a shareholders' agreement executed in 2017. The shareholders' agreement contains customary provisions for a shareholders' agreement such as *inter alia* the regulation of the different parties' rights and obligations regarding the shareholding, provisions regarding the board composition and provisions that restricts the shareholders' abilities to sell the shares to an individual or a legal entity. There are also certain provisions that stipulates the conditions to end involvement in the Company.

Material contracts

Other than the terms and Conditions of the Bonds, and apart from what is stated below, the Issuer is not party to any material agreement outside the ordinary course of business which could result in that counterparties of such agreements having a right or an obligations that could materially affect the Issuer's ability to fulfil its obligations under the Bonds.

The following is a description of material contracts to which the Group is a party and which are considered material. The following is a summary and does not purport to describe all of the applicable terms and conditions of such agreements.

Administrative services and credit facilities

Northmill AB has entered into several agreements with a financial services provider, which provides administrative services regarding the management of accounts receivable and invoicing of Credway in Sweden, debt collection services for Easycredit, Credigo and Credway in Sweden, as well as regularly acquiring overdue credits for Easycredit, Credigo and Credway in Sweden. The financial services provider also provides a credit facility to Northmill AB, with a limit of up to SEK 350 million. The agreement is ongoing with three months of mutual termination.

Financial loan

Northmill AB has obtained a loan of SEK 90 million from a Swedish bank. Interest is paid from the date of disbursement and is paid quarterly in arrears with an interest rate of STIBOR (3 Months) plus margin. STIBOR may under no circumstance be calculated below zero percent. The loan amount is amortized in its entirety on the final settlement day, which occurs on 30 December 2019. Northmill AB has provided security for the loan in the form of company mortgages (*Sw: företagsinteckningar*) and Northmill AB and the Company have undertaken not to distribute more than 25 percent of the total amount available for distribution from Northmill AB to the Company until the loan has been finally settled.

License by the Swedish Financial Supervisory Authority to provide consumer credit

Northmill AB has on 20 March 2015 been granted a license by the Swedish financial supervisory authority (the "SFSA") which authorizes Northmill AB to provide consumer credit and act as Consumer Credit Agency (SFSA identification number 44012). On 9 May 2018, Northmill AB received an exemption from the requirement to have authorization to carry out payment transactions through credit facilities. The SFSA conducts supervision of Northmill AB and it may conduct both off and on-site inspections and has the power to require the production of and to obtain access to all records, documents or information relating to the consumer credit operations. The SFSA enforces compliance

and can impose sanctions for failure to comply with or properly implement legal requirements. The SFSA has a wide range of administrative sanctions available to it, including an official remark or warning in connection with a conditional fine and the ability to remove a board member or managing director (but not other senior management) of a company. The SFSA can also withdraw a company's license for a variety of reasons including, but not limited to, non-compliance with existing or failure to implement new regulatory requirements. Criminal sanctions can apply for failure to comply with market abuse regulations or for tipping off a company under SFSA authority as to a potential or actual investigation. For full information regarding the risks in relation to potential non-compliance with the Swedish Banking and Financing Business Act (2004:297), see section *"Risk factors - Risks related to the Groups business and market - Supervision by the Swedish Financial Supervisory Authority ("SFSA") and failure to comply with the Swedish Banking and Financing Business Act (2004:297)"*

Legal and arbitration proceedings

The Group is not, and has not been, part to any legal or arbitration proceedings (including any of such proceeds which are pending or threatened which the Company is aware of) during the last twelve months, as of the date of the Prospectus, that may have, or have had, significant effects on the Company's or the Group's financial condition or profitability.

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of the Prospectus at the Company's head office and are also available at the Company's web page northmill.com/about/investor-relations/.

- (i) The articles of association of the Company;
- (ii) the interim report for the period 1 January - 31 March 2019; and
- (iii) the Group's, and its subsidiaries⁴, Annual Report for the financial years 2018 and 2017.

⁴ Only available at the Company's head office.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of the following reference in the below document that is incorporated by reference.

Northmill's consolidated audited annual report for the financial year ended 31 December 2018

- Auditor's report Page 39-40

Investors should read the information which is incorporated by reference as part of the Prospectus. It should be noted that the non-incorporated parts of the annual report for 2018 are either deemed not relevant for the investor or covered elsewhere in the Prospectus.

The annual report for the financial year ended 31 December 2018 will, during the validity period of the Prospectus, be available in electronic form at Northmill's web page:

<https://www.northmill.com/med/195668/northmill-annual-report-2018-en-digital.pdf>

TERMS AND CONDITIONS OF THE BONDS

TERMS AND CONDITIONS FOR NORTHMILL GROUP AB (PUBL)

Up to SEK 1,000,000,000

SENIOR UNSECURED FLOATING RATE BONDS

ISIN: SE0011614973

30 August 2018

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

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1. Definitions and Construction

1.1 Definitions

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

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

"**Accounting Principles**" means the generally accepted accounting principles, standards and practices in Sweden, including IFRS.

"**Additional Tier 1 Capital**" means additional tier 1 capital (Sw. *övrigt primärkapital*) as defined in the Capital Requirement Regulation.

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

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

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

"**Affiliate Loan**" means loans from Affiliates of the Issuer to any member of the Group.

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

"**Agent**" means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Bond**" 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, including the Initial Bonds and any Subsequent Bonds.

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

"Bondholders' Meeting" means a meeting among the Bondholders held in accordance with Clause 16 (*Bondholders' Meeting*).

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

"Call Option Amount" means the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*) as applicable.

"Capital Requirement Regulation" 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 and amending Regulation (EU) No 648/2012.

"Cash" means cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time.

"Change of Control Event" means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

"Compliance Certificate" means a certificate to the Agent, in the agreed form between the Agent and the Issuer, signed by the CFO, the CEO or an authorised signatory of the Issuer certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); and
- (c) if the Compliance Certificate is provided in connection the testing of the Maintenance Covenants the certificate shall include calculations and figures in respect of the Maintenance Covenants.

"CSD" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"Debt Facilities" means (i) any Financial Indebtedness, not being a Market Loan, incurred by the Issuer or a Subsidiary, to finance the ordinary course of business and (ii) any Affiliate Loan.

"Debt Instruments" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an MTF.

"Equity" means (by reference to the consolidated balance sheet of the Group) the sum of (i) restricted equity (Sw. *bundet eget kapital*), (ii) non-restricted equity (Sw. *fritt eget kapital*) and minority interests of the Group, and (iii) 78 per cent. of the tax allocation reserve (Sw. *periodiseringsfond*).

"Equity Listing Event" means an initial public offering of shares in the Issuer, after which such shares shall be admitted to trading on (i) Nasdaq Stockholm or other Regulated Market or (ii) First North Stockholm or another MTF.

"Event of Default" means an event or circumstance specified in any of the Clauses 13.1 (*Non-Payment*) to and including Clause 13.10 (*Continuation of the Business*).

"Final Maturity Date" means 3 September 2021.

"Finance Charges" means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any member of the Group and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis and provided that any funding arrangements of the Group, which are not taken up in the balance sheet of any Group Company (off balance sheet items) on the First Issue Date shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a balance sheet item.

"Finance Documents" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Subordination Agreement; and
- (d) any other document designated by the Issuer and the Agent or the Security Agent as a Finance Document.

"Finance Leases" means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the accounting principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the accounting principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a finance lease.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis or otherwise exempted as interest bearing debt in accordance with the applicable accounting standards);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

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

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 10.1(a)(i) and 10.1(a)(ii).

"First Call Date" means the date falling 24 months after the First Issue Date.

"First Issue Date" means 3 September 2018.

"Floating Rate Margin" means 8.00 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in Clause 24(a).

"Funds from Operations" means, in relation to the Group, the sum of interest income, commission revenue and operating income, less operating expenses (other than depreciation and write-down of tangible assets, amortisation and write-downs of intangible assets, and credit losses).

"Group" means the Issuer and each of its Subsidiaries from time to time, and **"Group Company"** means any of them.

"Incurrence Test" means the testing of the Maintenance Covenants in accordance with Clause 11.3 (*Incurrence Testing*).

"Initial Nominal Amount" has the meaning set forth in Clause 2(c).

"Initial Bond Issue" means the issuance of the Initial Bonds.

"Initial Bonds" means the Bonds issued on the First Issue Date.

"Insolvent" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*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 with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) 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 Bonds calculated in accordance with Clauses 8(a) to 8(c).

"Interest Coverage Ratio" means the ratio of Funds from Operations to Net Finance Charges in respect of any Reference Period.

"Interest Payment Date" means 3 March, 3 June, 3 September, and 3 December each year. The first Interest Payment Date shall be 3 December 2018. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, 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.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the First 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 STIBOR plus the Floating Rate Margin.

"Issuer" means Northmill Group AB (publ), a limited liability company incorporated in Sweden with reg. no. 556786-5257.

"Issuing Agent" means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Listing Failure Event" means:

- (a) that the Initial Bonds have not been admitted to listing on First North Stockholm, or any other MTF or a Regulated Market, within 60 days of the First Issue Date (provided that the Issuer has used its best efforts to list the Initial Bond no later than 30 days after the First Issue Date);

- (b) that that any Subsequent Bonds have not been listed on First North Stockholm, or any other MTF or a Regulated Market, within 60 days after the issuance of such Subsequent Bonds (provided that the Issuer has used its best efforts to list such Subsequent Bonds no later than 30 days after the issuance of such Subsequent Bonds);
- (c) that the Initial Bonds and any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm or any other Regulated Market within one (1) year after the First Issue Date;
- (d) that the Bonds cease to be listed on First North Stockholm or the corporate bond list on Nasdaq Stockholm (as applicable) (however, taking into account the rules and regulations of First North Stockholm, Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

"Main Shareholders" means Hikmet Ego, Jousline Ego, George Kurt and Sargon Kurt.

"Maintenance Covenants" means the maintenance covenants set out in Clause 11.1 (*Maintenance Covenants*).

"Market Loan" means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes, but excluding Additional Tier 1 and Tier 2 Capital), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other regulated or unregulated recognised market place.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the ability of the Group to perform or comply with its obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

"MTF" means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"Net Equity Ratio" means, in relation to the Group, the ratio of Equity plus Cash to Total Assets.

"Net Finance Charges" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment.

"Net Proceeds" means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner (if the Sole

Bookrunner has requested that its fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

"Nominal Amount" means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been reduced in part pursuant to Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*).

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions but not any transaction for investment or speculative purposes;
- (d) of the Group incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of SEK 1,000,000;
- (e) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (f) incurred under any Shareholder Debt;
- (g) incurred by the Issuer provided that no Event of Default is outstanding or would occur from such incurrence, such Financial Indebtedness meets the Incurrence Test tested on a *pro forma basis* with the new Financial Indebtedness being incurred and:
 - (i) is incurred as a result of a Subsequent Bond Issue; or
 - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
 - (iii) is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (h) incurred under Advance Purchase Agreements;
- (i) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;

- (j) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (k) incurred by any member of the Group under the Debt Facilities in a maximum aggregate amount of SEK 700,000,000;
- (l) deposits from the general public, provided that Northmill AB has received a banking license from the Swedish Financial Supervisory Authority; and
- (m) not covered under paragraphs (a)-(l) above in an aggregate maximum amount of SEK 7,500,000.

"Permitted Security" means any security:

- (a) provided under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (d) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (e) provided over any assets being subject to a Financial Lease, permitted pursuant to paragraph (d) of the definition of "Permitted Debt";
- (f) affecting any asset acquired by any Group Company after the First Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (g) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (h) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (i) any security provided by or over a Group Company to secure any Permitted Debt referred to in (b) (c) (g) (k) of the definition "Permitted Debt"; or

- (j) not covered under paragraphs (a)-(i) above securing an aggregate maximum amount of SEK 7,500,000.

"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.

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 14 (*Distribution of Proceeds*), (iv) the date of a Bondholders' 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 Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

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

"Reference Period" means (i) in connection with the testing of the Maintenance Covenants, the 12-months period ending on a Reference Date, and (ii) in connection with an Incurrence Test, the 12-months period ending on the determined testing date.

"Regulated Market" means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"Securities Account" means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security 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.

"Shareholder Debt" means any shareholder loan made to the Issuer as debtor (other than any Affiliate Loan), if such loan:

- (a) according to the Subordination Agreement is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date.

"**Sole Bookrunner**" means Pareto Securities AB.

"**STIBOR**" means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), 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.

"**Subordination Agreement**" means any agreement, in form and substance acceptable to the Agent, entered into between the Issuer and the relevant shareholder for the purpose of subordinating Shareholder Debt to the Bonds with respect to e.g. payments (maturity and instalments), tenure and enforcement proceeds.

"**Subsequent Bond Issue**" means the issuance of the Subsequent Bonds.

"**Subsequent Bonds**" means any Bonds issued after the First Issue Date on one or more occasions.

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

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

"**Tier 2 Capital**" means tier 2 capital (Sw. *supplementärkapital*) as defined in the Capital Requirement Regulation.

"**Total Assets**" means the consolidated book value of all assets of the Group calculated in accordance with the applicable Accounting Principles of the Group from time to time.

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

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the Bond Issue and the listing of the Bonds.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) "assets" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time.
- (b) 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 (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (c) 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.
- (d) No delay or omission of the Agent, or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.

- (c) The initial nominal amount of each Initial Bond is SEK 1,250,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The minimum permissible investment upon issuance of the Bonds is SEK 1,250,000.
- (d) Provided that no Event of Default is continuing or would result from such issuance and provided that the Incurrence Test is met tested *pro forma* with the new debt being incurred, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,000,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) The Bonds constitute direct, unconditional unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

The proceeds from the Bond Issue shall be used to (i) refinance existing interest bearing debt in an amount of SEK 270,000,000, (ii) finance Transaction Costs and (iii) finance general corporate purposes of the Group.

4. Conditions Precedent

- (a) The Net Proceeds from the Initial Bond Issue shall be transferred to the Issuer when the Agent has confirmed to the Issuing Agent that it is satisfied that it has received the conditions precedent documents set out in paragraph (b) below.

- (b) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:
 - (i) constitutional documents and corporate resolutions approving the relevant Finance Documents and authorising signatories to execute the Finance Documents for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of the Finance Documents, duly executed;
 - (iii) an agreed form Compliance Certificate;
 - (iv) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document issued by a reputable law firm; and
 - (v) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4(b) above from a legal or commercial perspective of the Bondholders.
- (d) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within thirty (30) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together with any accrued Interest. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above.

5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) 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 Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) 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 kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

6. Right to Act on Behalf of a Bondholder

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it 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.

7. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the

CSD on the Record Date. 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 Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, 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.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.
- (f) Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 102.40 per cent. of the Nominal Amount plus the remaining interest payments up to and including the First Call Date together with accrued but unpaid Interest;
 - (ii) any time from and including the First Call Date to, but excluding, the date falling 30 months after the First Issue Date at an amount per Bond equal to 102.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the date falling 30 months after First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
 - (iv) notwithstanding the above, provided that the redemption is financed by way of one or several Market Loan issues, at any time from and including the date falling 33 months after First Issue Date to, but excluding, the Final Maturity Date. at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in

effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

9.4 Voluntary partial redemption upon an Equity Claw Back (call option)

- (a) The Issuer may at one occasion, in connection with an Equity Listing Event, repay up to 30 per cent. of the total Initial Nominal Amount, in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event). The repayment per Bond shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the price set out in paragraph 9.3(a)(i).
- (b) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Swedish Kronor and paid to the person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

9.5 Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)

- (a) Upon the occurrence of a Change of Control Event or Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event or Listing Failure Event pursuant to Clause 10.1(d) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 10.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer or a person designated by the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(d). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).

9.6 General

The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.

10. Information to Bondholders

10.1 Information from the Issuer

- (a) The Issuer will make the following information available in the English language by way of press release and by publication on the website of the Group:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (ii) 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, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
 - (iii) any other information required by the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*), the rules and regulations of the Regulated Market on which the Bonds are admitted to trading and the MTF on which the Bonds are traded.
- (b) When the Bonds have been listed on Nasdaq Stockholm (or another Regulated Market), the reports referred to in Clause 10.1(a)(i) and Clause 10.1(a)(ii) shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of the relevant Regulated Market (as amended from time to time) and the Swedish Securities Market Act.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or Listing Failure Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of

Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (e) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. 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.
- (f) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
 - (i) in connection with the incurrence of debt in accordance with item (g) of the definition of Permitted Debt;
 - (ii) in connection with that a Financial Report is made available; and
 - (iii) at the Agent's request, within 20 days from such request.
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (e) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

10.2 Information from the Agent

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2(b) and any applicable law or regulation, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer,

provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

11. Financial Undertakings

11.1 Maintenance Covenants

- (a) Prior to the date when the Issuer's subsidiary Northmill AB acquires a banking license from the Swedish Financial Supervisory Authority (the "SFSA"), the Issuer shall ensure that:
 - (i) the Interest Coverage Ratio is at all times at least 1.75:1; and
 - (ii) the Net Equity Ratio is at all times at least 20.00 per cent.
- (b) After the date when Issuer's subsidiary Northmill AB acquires a banking license from the SFSA the Issuer shall ensure that:
 - (i) the Interest Coverage Ratio is at all times at least 1.75:1; and
 - (ii) the Group follows the applicable capital adequacy requirements required by applicable regulation and by the SFSA from time to time.

11.2 Testing of the Maintenance Covenants

- (a) The Maintenance Covenants shall be tested on each Reference Date with respect to the Reference Period ending on such Reference Date and calculated based on the most recently delivered Financial Report. The first test date shall be 30 September 2018.
- (b) When calculating the Net Equity Ratio, any funding arrangements of the Group shall be treated in accordance with the accounting principles applicable on the First Issue Date.

11.3 Incurrence Testing

For the purpose of testing the Maintenance Covenants in connection with the incurrence of Financial Indebtedness set out in item (g) of the definition of Permitted Debt:

- (a) the calculation of the Net Equity Ratio shall be made as per a testing date determined by the Issuer, falling no later than the period covered by the most recent Financial Report; and
- (b) the calculation the Interest Coverage Ratio shall be made for the Reference Period ending on the last day of the period covered by the most recent Financial Report.

11.4 Equity Cure

- (a) If there is a breach of any of the Maintenance Covenants in connection with testing of the Maintenance Covenants pursuant to Clause 11.2 (*Testing of the Maintenance Covenants*), no Event of Default will occur if, within thirty (30) Business Days of a delivery of the relevant Compliance Certificate evidencing that breach, the Issuer has received equity injection in cash in the form of a share issue, an unconditional shareholder contribution or in an amount sufficient to ensure compliance with the Maintenance Covenants, as at the relevant Reference Date (the "**Cure Amount**").
- (b) The calculation of the Interest Coverage Ratio shall be adjusted so that the Net Finance Charges for the Reference Period is reduced with an amount equal to the Cure Amount multiplied with the average interest rate paid by the Issuer under the Bonds after taken into account payments and receipt under the hedging arrangements during the previous 12 month period. Any Equity Cure shall for the calculation of Interest Coverage Ratio be counted in any calendar quarter and shall be included in the financial covenant calculations until such time as that calendar quarter falls outside the Reference Period.
- (c) Any Equity Cure must be made in cash and no more than two (2) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

11.5 Adjustments

- (a) The figures for Finance Charges and Net Finance Charges for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenants and the Incurrence Test, but adjusted so that
 - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
 - (ii) any entity to be acquired with the proceeds from the new Permitted Debt shall be included, *pro forma*, for the entire Reference Period.
- (b) The figures for Net Finance Charges set out in the financial statements as of the most recent quarter date (including when necessary, financial statements

published before the First Issue Date), shall be used, but adjusted so that Net Finance Charges for such period shall be:

- (i) reduced to reflect any Net Finance Charges attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Finance Charges is included in the relevant financial statements);
- (ii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to (i) any Financial Indebtedness owed by acquired entities and (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
- (iii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to any incurred Financial Indebtedness (to the extent such Financial Indebtedness is not included in the relevant financial statements), calculated as if such debt had been incurred at the beginning of the relevant Reference Period.

12. General Undertakings

12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

12.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
 - (i) pay any dividend in respect of its shares (other than to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis);
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
 - (iv) grant any loans except to Group Companies and in the ordinary course of business; or
 - (v) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (other than (A) to the Issuer or a wholly-owned, direct or indirect, Subsidiary of the Issuer and, if made

by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis and (B) repayment of any Affiliate Loan),

(items (i)-(v) above are together and individually referred to as a "**Restricted Payment**").

- (b) Notwithstanding the above, a Restricted Payment may be made:
- (i) if no Event of Default is outstanding or would occur when making the relevant Restricted Payment; and
 - (ii) provided that if the Net Equity Ratio is below 30 per cent., the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed 10 per cent. of the Group's consolidated net income for the previous financial year; and
 - (iii) provided that if the Net Equity Ratio is above 30 per cent., the aggregate amount of all Restricted Payments of the Group in any financial year (including the Restricted Payment in question) does not exceed 15 per cent of the Group's consolidated net income for the previous financial year.

12.3 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

12.4 Financial Indebtedness

The Issuer shall not and shall procure that none of its Subsidiaries will, incur, prolong renew or extend any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

12.5 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future), provided however that the Issuer and its Subsidiaries have a right to provide, retain, prolong or renew, any Permitted Security.

12.6 Loans Out

The Issuer shall not extend any loans in any form to any other party than to other Group Companies.

12.7 Dealings with related parties

The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

12.8 Compliance with laws and authorisations

The Issuer shall, and shall make sure that its Subsidiaries will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

12.9 Licenses

The Issuer shall procure that:

- (a) the consumer credit company (Sw. *konsumentkreditinstitut*) license granted by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) to its subsidiary Northmill AB; and
- (b) the registration of Northmill Oy as a consumer credit provider with the Regional State Administrative Agency of Southern Finland (*Fi. Etelä-Suomen aluehallintovirast*),

are not withdrawn or revoked, provided that the consumer credit company license granted to Northmill AB may be withdrawn if Northmill AB is instead granted a banking license from the Swedish Financial Supervisory Authority.

If the Issuer's subsidiary Northmill AB is granted a banking license from the Swedish Financial Supervisory Authority, the Issuer shall procure that such license is not withdrawn or revoked.

13. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.11 (*Acceleration of the Bonds*)) is an Event of Default.

13.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five (5) Business Days of the due date.

13.2 Maintenance Covenants

The Issuer has failed to comply with any of the Maintenance Covenants and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 11.4 (*Equity Cure*).

13.3 Other Obligations

The Issuer fails to comply with the Finance Documents, in any other way than as set out under Clause 13.1 (*Non-Payment*) and Clause 13.2 (*Maintenance Covenants*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

13.4 Cross-acceleration

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) is declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 13.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 25,000,000 or (ii) it is owed to a Group Company.

13.5 Insolvency

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (except for Bondholders) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Group Company.

13.6 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company; and

- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

13.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 25,000,000 and is not discharged within 60 days.

13.8 Mergers and demergers

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

13.9 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

13.10 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

13.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 13.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if

the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds, in accordance with this Clause 13.11, the Issuer shall redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period and shall for the non-call period (until the First Call Date) be at an amount equal to the Call Option Amount set out in Clause 9.3(a)(ii).

14. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority:
 - (i) first, *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 Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15(c).
 - (ii) secondly, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (iii) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and

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

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer.

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i)
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders 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 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*) due but not made, the Record Date specified in Clause 9.4(a) shall apply.

15. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an

approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c):
- (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the Total Nominal Amount of the Bonds to at any time exceed, SEK 1,000,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
 - (ii) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
 - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (v) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)) or an acceleration of the Bonds.

- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
 - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by

Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.

- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

16. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

17. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or

such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) 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, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15(e) and 15(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(e) or 15(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any

amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19. Appointment and Replacement of the Agent

19.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1(a).
- (c) Each Bondholder 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 Bondholder which does not comply with such request.
- (d) 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.
- (e) The Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.

- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is not entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. 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 14 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), 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.

- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) 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 (ii) if it refrains from acting for any reason described in Clause 19.2(i).

19.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- (b) Subject to Clause 19.4(f), 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.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent be appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) 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.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. Appointment and Replacement of the Issuing Agent

- (a) The Issuer appoints the 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 Bonds.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

21. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 21(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 19.1(c)), 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 by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(k) before a Bondholder may take any action referred to in Clause 21(a).
- (c) The provisions of Clause 21(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event* (put option)) or other payments which are due by the Issuer to some but not all Bondholders.

22. Prescription

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

- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. Notices and Press Releases

23.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
- (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) 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 and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1(a) or, in case of letter three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1(a).
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be

sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

23.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*) 9.4 (*Voluntary partial redemption upon an Equity Claw Back (call option)*), 9.5 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*), 13.11(c), 15(o), 16(a), 17(a) and 18(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 23.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

24. Force Majeure and Limitation of Liability

- (a) 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 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.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) 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.
- (d) The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. Governing Law and Jurisdiction

- (a) 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.

- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

[Separate signature page follows]

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