

Prospectus

Ilija Batljan Invest AB



For admission to trading of SEK 750,000,000 subordinated perpetual floating rate callable capital notes

7 December 2021

Issuing Agent:

Nordea Bank Abp, filial i Sverige

This Prospectus has been approved by the Swedish Financial Supervisory Authority on 7 December 2021 and is valid for twelve (12) months from this date, provided that it is completed by any supplement required pursuant to Article 23 of the Prospectus Regulation. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Important Information

This prospectus (the “**Prospectus**”) has been prepared by Ilija Batljan Invest AB, Reg. No. 478226 (the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the “**Group**”), in relation to the application for listing of the SEK 750,000,000 subordinated perpetual floating rate callable capital notes (the “**Capital Notes**”) on the corporate bond list of Nasdaq Stockholm Aktiebolag, Reg. No. 556420-8394 (“**Nasdaq Stockholm**”). Terms and concepts defined in the Terms and Conditions are used with the same meaning in this Prospectus unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

This Prospectus has been prepared in accordance with the standards and requirements under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and the rules and regulations connected thereto, as applicable. This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus has been produced in an English version only and shall be read together with all documents which have been incorporated by reference (see “*Documents incorporated by reference*”) and any supplements to this Prospectus. This Prospectus will be available at the Swedish Financial Supervisory Authority’s website (www.fi.se) and the Company’s website (www.ilijabatljaninvest.com). Paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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

The Capital Notes may not be a suitable investment for all investors and each potential investor in the Capital Notes 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 Capital Notes, the merits and risk of investing in the Capital Notes and the information contained or incorporated by reference in this 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 Capital Notes and the impact other Capital Notes 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 Capital Notes; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with 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.

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Company. The words “considers”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Company to be materially different from any future remits, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Although the Company believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Issuer’s operations. Such factors of a significant nature are mentioned in the section “Risk Factors” below.

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Risk Factors

This section contains the risk factors considered to be material to the Issuer's and the Group's business and future development. The risk factors relate to the Group and its market and the Capital Notes and are further divided into separate categories. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. In accordance with the Prospectus Regulation, the risk factors mentioned below are limited to risks which are specific to the Issuer and/or the Capital Notes and which are material for taking an informed investment decision. The description below is based on information available as of the date of the Prospectus. The risk factor that is currently considered to be most material is presented first in each category and the subsequent risk factors are presented in no particular order.

Risks relating to the Group

Risks related to the Group's operations

Risks relating to the Issuer's holding company activities

The Issuer is the parent company in the Group and does only conduct limited business operations, it mainly functions as a holding company for the operating business of the Group. The Issuer's ability to make required payments of interest on its debts and funding is thus affected by the ability of its subsidiaries to transfer available cash resources to it. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and/or contractual requirements applicable to the respective subsidiaries. Additionally, the Group companies are separate legal entities and have no obligation to fulfil the Issuer's obligations towards its creditors unless otherwise agreed. Limitations or restrictions on the transfer of funds between companies within the Group may become more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Capital Notes. 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 the Issuer, as a shareholder, would be entitled to any payments.

Risks related to the ownership of the Group

The Group is currently controlled by one principal shareholder, whose interests may conflict with the Noteholders', particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. The owner has the power to control all matters to be decided by vote at a shareholders' meeting and has the ability to appoint the board of directors of the Issuer. Furthermore, the owner 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 Noteholders. There is nothing in the Terms and Conditions that prevents the owner or any of its affiliates from acquiring businesses that directly compete with the Group. If such event was to arise, there is a risk this may adversely affect the Group's operations, financial position, results and even the value of the Capital Notes.

Risks related to the Issuer's organisation

Since the Issuer mainly functions as a holding company, it has no employees. Consequently, the Issuer is dependent on its service providers, suppliers and its sole owner in operating its day-to-day activities. The lack of employees, a management team and internal control functions exposes the Group to certain operational risk as a result of insufficient or absent internal procedures to handle unforeseen external events and ongoing compliance with applicable laws and regulations.

If the Group, as a result of its limited internal control functions and organisation, fails to identify, control and avoid operational risks which arise due to the Group's property holdings and/or its holding company activities, it could adversely affect the Group's financial position and results.

Risks related to the Group's investments and own property holdings

Risks related to changes in property value

The Group's properties are reported at fair value in accordance with IFRS. The fair value of the properties amounted to SEK 327 million as of 30 June 2021. The value is affected by a number of factors, such as (including but not limited to) operating costs, occupancy level, permitted use of the properties, required return and cost of capital. Unrealised value changes may have an impact on the Group's net profit. Furthermore, the property value is affected by supply and demand on the property market, and property valuations are mainly dependent on the properties' expected operating surplus and a potential buyer's required return. The return is further dependent on, inter alia, the Group's ability to fulfil the intended objectives of the properties which mainly consists of rental, and in some cases sales, of the properties as well as the costs and expenses associated to development and renovation of the properties. The fair value of the properties and the tenants' solvency, which may affect the Group's rental income, is also generally affected by general conditions in the economy, such as the GDP growth, employment rate, inflation, changes in interest rate levels and amortisation requirements. Decreased property values may, if materialised, negatively affect the Group's financial position.

Risks related to decreased rental income and large tenants not renewing or extending the leases

An absolute majority of the Group's turnover derives from rental incomes. Therefore, in additions to rental rates, a notable risk to the Group's operations is related to its properties' occupancy rate and the amount of rental income the Group is able to generate. Occupancy rate and rental rates depend on, for example, macroeconomic conditions such as general economic trends, regional economic development, employment rates, production rates of new premises, changes in infrastructure, inflation, interest rates and demographic trends.

Decreased occupancy and rental rates can negatively affect a property company's earnings and this risk is increased when a property company has a high concentration of large tenants, including tenants that hold multiple leases across a number of properties. The Group currently derives approximately 60 per cent. of its rental income from its three largest tenants. If the Group's largest tenants do not renew or extend a significant number of these leases when they expire, in the long-term this could lead to reduced rental income and increased vacancies. If these tenants experience financial difficulties or are otherwise unable to fulfil their obligations under any lease, this could have significant consequences for the Group, resulting in the Group's rental income being significantly lower than estimated. Vacancies prevent property owners from benefiting from their properties' full earning capacities. Occupancy rates may decrease if tenants move out and the premises cannot be

rented out again immediately, or within a reasonable period of time. Additionally, this could lead to the Group having to expend money and resources in order to find replacement tenants, thereby incurring unexpected legal or marketing costs and if the Group is unable to replace outgoing tenants this may result in a decreased occupancy rate and additional turnover costs.

If the Group fails to maintain rental rates, retain its largest tenants, or if its tenants are unable to fulfil their obligations, it can lead to a loss of rental income and cause the Group to incur additional expenses which in turn would have an adverse effect on the Group's financial positions and results.

Risks related to increased maintenance and repair costs associated with its properties

All of the Group's properties will require some level of repair and maintenance in the future following expiration of current lease agreements or otherwise. Such regular property maintenance is necessary in order to maintain the fair value of and rent levels of the properties in the Group's portfolio. However, the amount of required maintenance and repair work may increase, for example, as a result of changes to energy efficiency or other requirements or as a result of damage caused by tenants or other parties. In addition, the associated maintenance costs may increase as a result of inflation, which is beyond the Group's control and the Group's repair cost and modernization investments may increase more than the Group currently anticipates as a result of its growth strategy and the related party acquisitions and real estate development projects. Furthermore, if some maintenance needs are not recognized in time and as a result the level of maintenance is left insufficient, this may lead to decreases in the value of such properties, and the Group may also need to set lower rent levels in these properties. Operating in the real estate industry also entails the possibility of technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of design errors, other hidden defects or deficiencies, damage (caused, for example, by fire or another force of nature, or by tenants) and contaminants. If technical problems arise, they can lead to a significant increase in costs for the Group. In addition, a property company's reputation is particularly important in relation to new and current tenants. If the Group fails to adequately respond to technical or maintenance problems, the Group's reputation may be damaged, which in turn can lead to difficulties in retaining current tenants or attracting new tenants. If the Group's reputation is damaged or it has increased costs due to technical damage, this can lead to a loss of income and/or lost growth opportunities.

Risks related to changes in share price of the Group's associated companies

The Group owns shares in both listed and unlisted companies. Share price can fluctuate for a number of different reasons. The Group's investment portfolio mainly consists of listed companies. Publicly traded companies' share price will change over time and may fluctuate due to general macroeconomic trends, stock market trends and company specific developments, conditions and circumstances. Since the Group exercise only limited control over its listed holdings and in addition, are exposed to changes in share prices which are caused by circumstances outside of its control, the aggregate value of the Group's listed companies may change rapidly and unexpectedly which could affect the Group's financial position.

Unlisted portfolio companies expose the Group to value changes, as a majority of the unlisted holdings are not yet fully established and whose valuations may therefore be more uncertain than listed companies. The risk that the unlisted holdings are valued incorrectly may be greater during times of general uncertainty, such as during the corona pandemic. Contrary to what is usually the case with listed holdings, it can be difficult for the Group to sell and trade with its unlisted share holdings. Should the financial position of the Group deteriorate, it might have to sell some of its

holdings (including unlisted holding). There is a risk that the Group will not find a buyer or that the Group underestimates the value of the unlisted shares being sold. This could adversely affect the Group's financial position, results and operations.

Risks related to macroeconomic trends

The Group is affected by macroeconomic factors such as general economic trends, regional economic development, employment rates, production rates of new premises, changes of infrastructure, inflation and interest rates in the markets where the Group and its associated companies operate, mainly Sweden, Norway, Finland and Denmark. For example, these factors significantly impact supply and demand in the real estate market and accordingly affect occupancy rates, rent levels and gross asset values of the Group's and its associated companies' properties. If the general economic situation weakens, the value and rental income of the Group's property portfolio may decline. The majority of the Group's property portfolio is directly or indirectly owned by Samhällsbyggnadsbolaget i Norden AB ("**SBB**") and located in Sweden. In 2019, Swedish GDP grew by 1.4 per cent. This was followed by a setback in 2020 following the outbreak of Covid-19, with a GDP decrease of -2.8 per cent. The European Commission has projected Swedish GDP growth of 4.4 per cent for 2021 and 3.3 per cent in 2022. Sweden's economy may further be impacted by its neighbouring countries which could result in deterioration of the economic conditions in Sweden. In addition, events, such as natural disasters and pandemics, may have an impact on macroeconomic factors. The 2019 coronavirus outbreak is currently having an indeterminable adverse impact on the world economy. The long-term implications of the pandemic on the global economy is yet unclear.

Consequently, economic downturns or fluctuations could impact the Group's occupancy rates and rent levels, which can negatively impact the Group's rental income, and may negatively impact the Group's business overall, its financial position and its results.

Risks relating to the Group's shareholdings and minority holdings

In the majority of the Group's associated companies, the Group is not a majority shareholder. The Group generally has an ownership corresponding to less than 30 per cent of the share capital. The associated companies and its majority shareholders can therefore make decisions and implement measures that may be negative for or have an adverse effect on the Group and its interest without the Group having the opportunity to influence these decisions or measures. The fact that associated companies can implement measures that are not in line with the Group's interests could have a negative effect on the Group's financial positions, result and operations.

Further, the Group has made several "Sustainable Impact Investments" by investing in companies on the basis of environmental, social and/or corporate governance factors. The Group has also made "Digital Investments", by investing in companies with innovative technology. Approximately 14 per cent of the Group's total assets as of 31 March 2021 consists of shares in companies which business relate to sustainable impact or innovation technology. A majority of these companies are currently in a growth phase and have relatively novel business models and/or uses new technology. These companies may thus be considered as high-risk investments. A large portion of these companies do currently not have enough liquidity or otherwise lack the ability to distribute dividends, and there is a risk that they may never be able to disburse dividends. These investments may prove to be non-profitable for the Group, which in turn could negatively affect the Group's financial position and its results.

Risks relating to the Group's Real Estate and Logistics Investments

Apart from the Group's directly owned properties Vågskålen 24 Eskilstuna, Skiffern 2 Nybro and Busterud 1:161, it owns shares in several real estate and logistics companies, out of which its investment in SBB constitute its largest investment. On 30 June 2021, the market value of the Company's shares in SBB was approximately SEK 2 706 million. Through its indirect exposure to its associated companies' property holdings, the Group is exposed to a number of property related risk, including but not limited to (i) development of general macro-economic conditions, (ii) ability to find and keep tenants which are willing and continually able to pay market rent, (iii) maintenance and repair costs, (iv) valuation of properties, (v) acquisitions, integration and development of properties and (vi) regulatory matters (including environmental risks). Many of these risks are similar to the risks which the Group is exposed to pursuant to its own property holdings while others are materialized in different ways and depend on factors, conditions and circumstances relevant and present for a specific company and/or property. All of these risks, present as a result of indirect holdings of properties, affect the Group but are in some cases difficult to identify, quantify and control.

For example, the Group controls 18.9 per cent. (the Group together with Ilija Batljan in person controls 32.5 per cent.) of the votes in its largest shareholding, SBB. The Group is dependent on dividends from SBB which in turn is dependent on the financial position and development of SBB. The Group does not control SBB and is therefore unable to influence its operations. The Group is therefore to a large extent dependent on SBB's ability to identify and control the risk which the company is exposed to in order to generate revenue for its shareholders, including the Group. Should SBB, or any other associated property company, fail to operate its business successfully then it could have an adverse effect on the Group's financial position and results.

Risks related to acquisitions

A central part of the Group's business and expansion strategy is to acquire real properties and holdings in listed and non-listed companies. The ability to execute its general acquisition strategy may be limited by external factors such as competition, demand for attractive investment objects, financing possibilities, market conditions and the price levels of investment objects. Consequently, unfavourable external factors may impede the ability of the Group to execute its acquisition strategy. Completed acquisitions may also have an adverse effect on the Group's result if, for example, in relation to property acquisitions, unexpected vacancies occur, accounting or economic assumptions do not match projections or if unforeseen environmental requirements or tax claims arise. The Group may have, and may in the future, overestimate the profitability and/or potential return on investments objects or otherwise make incorrect assumptions or miscalculations in relation to investments. Any such investments made could materially adversely affect the Group's financial position and results.

Risks related to the Issuer's financing arrangements

Refinancing risks

The Group's long-term liabilities as of 30 June 2021 amounted to approximately SEK 1,424 million including leases of which a significant amount must be renewed or refunded within one to two years. There is a risk that the Group will be unable to secure financing at favourable rates, or at all, when the Capital Notes are to be redeemed or other debt falls due and needs to be refinanced. In the future, loans may need to be obtained at significantly higher costs than at present, lenders may choose not to extend the Group's loans at maturity or there may not be alternative credit facilities at the Group's

disposal. Further, certain loan agreements and note terms contain provisions which may limit the Issuer's and the Group's ability to incur new debt. The Group's operations have historically been financed by bank loans and bonds and it is likely that the capital necessary to finance future business operations will be obtained from these sources. The Group's ability to obtain financing in the future will depend upon its business, prospects and general market conditions. In the event of adverse market conditions or impaired prospects of the Group's operations, the Group's financial performance may suffer which may reduce the availability of financing to the Group. This could have a material adverse impact on the Group's financial position and results of operations.

Risks relating to rating

In order to fund its business activities, the Issuer is dependent on its ability to access the capital markets and its cost of borrowing will be affected by its credit rating. The Issuer has been assigned a long-term debt issuer rating of BBB- with stable outlook by Scope Ratings GmbH. Third party rating agencies may also issue unsolicited ratings intended to measure the Issuer's ability to repay its obligations and are based upon criteria established by such agencies. The Issuer's credit rating is subject to periodic review and may be revised downward or revoked. Rating agencies assign credit ratings based on several factors, most of which are company specific. However, some factors relate to general economic conditions and circumstances that are outside the Issuer's control. The Issuer cannot predict what actions rating agencies may take, or what actions may be taken in response to the actions of rating agencies. Any downgrade or revocation of a credit rating assigned to the Issuer could increase the Issuer's borrowing cost and impact its financial flexibility and competitive position. Changes in methodology and criteria used by rating agencies could result in downgrades that do not reflect changes in general economic conditions or the financial condition of the Issuer.

Risks related to legal and regulatory issues

Risks related to failure to comply with applicable regulations and risks being involved in legal and administrative proceedings

The Group and its associated companies operate across various geographical markets and their respective businesses must comply with the requirements set out in a number of codes, acts and regulations in the jurisdictions which they operate, for example, laws and regulations relating to production and maintenance of real estate (including health and environmental regulations), tax and general corporate matters. New acts and regulations, or a change that affect the operations of the Group or its associated companies may directly or indirectly negatively impact the Group's business, financial position, result of operations and prospects. In addition, there is a risk that the Group's interpretation of existing codes, acts and regulations is incorrect, or the accepted interpretation of these codes could change in the future which could cause the Group to incur increased costs or face the risk of material fines or penalties.

The Group also risks becoming involved in legal or administrative proceedings, which could result in significant claims for damages or other demands for payment. It is inherently difficult to predict the outcome of legal, regulatory and other adversarial proceeds or claims and if the outcome of any future legal or administrative proceeding turns out to be negative for the Group or any of its associated companies, this could have a material adverse impact on the Group's financial position and results of operations.

Environmental risks and compliance with various health, safety and environmental regulations

The Group's and its associated companies' operations in property management and property development carry environmental risks and the Group is subject to environmental regulations that may impose liability if the Group fails to comply. Although the Group conducts inspections during the acquisition of individual properties, there is a risk that environmental regulations were not complied with. Under current environmental legislation in the jurisdictions in which the Group operates, an operator that has contributed to the contamination of a property is also liable for its remediation. If the operator cannot carry out or pay for remediation of the property, the party who acquired the property and who, at the time of acquisition, knew about or ought to have known about the contamination, is liable for the remediation. This means that under certain circumstances, the Group may be ordered to restore the property to a state that is compliant with environmental legislation. This may involve soil decontamination or remediation in respect of the presence of, or suspicion of the presence of, contaminants in the soil, catchment areas or groundwater. The cost to the Group of investigation, removal, or remediation required to comply with environmental regulations may be substantial and therefore such orders may negatively impact the Group's earnings, cash flow and financial position. Furthermore, any future changes to the laws, regulations and requirements from authorities in the environmental sector could result in increased costs for the Group with respect to sanitation or remediation regarding currently held or future acquired properties. Such changes could also result in increased costs or delays for the Group in carrying out any of its development projects.

The Group is and may also be subject to further regulation in areas such as occupational health and safety, the handling of asbestos and asbestos removal, as well as acts and regulations limiting emissions of greenhouse gases such as through energy and electricity consumption. Non-compliance with such acts and regulations in any of the jurisdictions in which the Group operates may result in the government issuing orders for enforcement measures, imposing fees or fines, and in some cases even imposing restrictions on the operations of the Group, which can be serious.

Furthermore, contamination may also be detected on properties and in buildings, in particular during renovation processes or when buildings are upgraded for environmental certification. The discovery of any contaminants or residual pollution in connection with the lease or sale of properties could trigger claims for rent reductions, damages or lease terminations. Measures to remove such contaminants or remediate any pollution can be required as part of the Group's ongoing operations and may, depending on the extent of the contamination, involve considerable costs and have a material adverse impact on the Group's results of operations.

Risks relating to the Capital Notes

The Capital Notes are subordinated to most of the Issuer's liabilities

The Capital Notes represent deeply subordinated debt obligations of the Issuer. This means that if the Issuer is subject to any dissolution, winding-up, liquidation, reorganisation (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the Noteholders normally receive payment after all other creditors have been paid in full. Hence, in relation to an Issuer Winding-up or a reorganisation of the Issuer, Noteholders' claims for the principal amount of their Capital Notes and any accrued and unpaid interest thereon will rank *pari passu* with any present or future claims in respect of obligations of the Issuer in respect of Parity Capital Notes. Furthermore, Noteholders' claims will rank junior in right of payment to any present or future claims of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness. In relation to an Issuer Winding-up, claims will however rank in priority to all present and future claims

in respect of the shares of the Issuer and any other obligation of the Issuer expressed to rank junior to the Capital Notes or any Parity Capital Notes.

If the Issuer becomes subject to any dissolution, winding-up, liquidation, administrative or other bankruptcy or insolvency proceedings, the Issuer will be required to pay creditors with higher ranking claims in full before it can make any payments on the Capital Notes. If this occurs, there is a risk that the Issuer does not have enough assets remaining after these payments to pay amounts due under the Capital Notes.

Further, in the event of a reorganisation, unsecured debt could be subject to a mandatory write-down provided that a qualified majority of the unsecured creditors has approved such write-down. There is a risk that claims in respect of the share capital of the Issuer are not subject to loss absorbing measures under a reorganisation of the Issuer. Consequently, there is a risk that the Capital Notes be, partly or completely, written off, resulting in Noteholders not recovering their investment in the Capital Notes.

In the event of a shortfall of funds upon the occurrence of an Issuer Winding-up and/or any other dissolution, winding-up, liquidation, administrative or other bankruptcy or insolvency proceedings of the Issuer, there is a risk that a Noteholder may lose all or most of its investment in the Capital Notes and that a Noteholder may not receive any return of the principal amount nor any accrued interest (including Deferred Interest). By virtue of such subordination, payments to a Noteholder will, in the events described in the Terms and Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Noteholder may therefore recover less than the Noteholders of unsubordinated or other subordinated liabilities of the Issuer that are senior to the Capital Notes.

Subject to applicable law, no remedies other than those set out in Clause 16 (*Default and Enforcement*) of the Terms and Conditions shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Capital Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Notes. Such remedies are limited to certain proceedings and enforcement following a default under the Terms and Conditions. Any potential investor should therefore be aware of that an investment in the Capital Notes entails a risk that the investor loses all or part of its investment if the Issuer becomes liquidated, bankrupt, insolvent, carries out a reorganisation or is wound-up.

Risks related listing of the Capital Notes and liquidity

According to the Terms and Conditions of the Capital Notes the Issuer must use its best efforts to list the Capital Notes on the sustainable bond list of Nasdaq Stockholm or any other regulated market within one hundred eighty (180) days after the First Issue Date. If the Issuer fails to procure listing in time, investors holding Capital Notes may be unable to trade the Capital Notes which could affect the market value of the Capital Notes.

Even if the Capital Notes are admitted to trading on a regulated market such as Nasdaq Stockholm, there may be a lack of demand for, and trade in, the Capital Notes. In general, financial instruments with a higher nominal value, such as the Capital Notes with a nominal value of SEK 1,250,000, are not traded as frequently as financial instruments with a lower nominal value. Given the nominal value of the Capital Notes, there is a risk that there will not be a liquid market for trading the Capital Notes.

This can result in investors being unable to sell their Capital Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. This lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Capital Notes.

No restriction on issuing or guaranteeing debt

There is no restriction in the Terms and Conditions in relation to issuing or guaranteeing debt ranking senior to or *pari passu* with the Capital Notes. The Issuer and its subsidiaries may incur additional indebtedness or issue guarantees in respect of indebtedness or guarantees of third parties. Incurring such additional indebtedness may reduce the amount (if any) recoverable by Noteholders if the Issuer is subject to any dissolution, winding-up, liquidation, re-construction, administrative or other bankruptcy or insolvency proceedings and may increase the likelihood of that Interest Payments under the Terms and Conditions are deferred, at the potential detriment on a Noteholder.

The Issuer may defer Interest Payments

The Issuer may, at any time and at its sole discretion (except on an Interest Payment Date on which the Capital Notes are to be redeemed) by giving notice to the Noteholders, the Agent and the Issuing Agent before the relevant Interest Payment Date, elect to defer any Interest Payment, in whole or in part, which would otherwise be due on any Interest Payment Date. If interest is deferred in accordance with the Terms and Conditions, the Issuer has no obligation to make such payment on the relevant Interest Payment Date and any such non-payment of interest does not constitute a default or any other breach of obligations under the Terms and Conditions.

Deferral of Interest Payments may have an adverse effect on the market price for the Capital Notes. In addition, the availability to defer interest may result in that the market price for the Capital Notes is more volatile than otherwise would be the case for market prices of other securities in respect of which interest accrues over pre-determined interest periods. Furthermore, the possibility to defer Interest Payments may expose the Noteholders to fluctuations in the Issuer's financial position and may result in that the yields from the Capital Notes are less foreseeable.

The Capital Notes have no maturity date

The Capital Notes are perpetual meaning that the Capital Notes have no specified maturity date. The Issuer is not obliged to redeem the Capital Notes at any time and Noteholders have no option to redeem the Capital Notes at any time. The Issuer may only redeem the Capital Notes in the circumstances described in Clause 11 (*Redemption and Repurchase of the Capital Notes*) of the Terms and Conditions and, to the extent applicable, subject to such preconditions as set out in Clause 13 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*).

Any potential investor should be aware that it may be required to bear financial risks of the investment in the Capital Notes for a long period of time and may not recover their investment before a redemption of the Capital Notes (if any) at the discretion of the Issuer (in particular if there is no active trading on the secondary market). Each potential investor should therefore be aware that there is a risk that it may lose the whole, or parts of, its investment in the event the Issuer chooses to not redeem the Capital Notes.

Redemption and Repurchase of the Capital Notes

The Issuer may, at its option, redeem the Capital Notes in whole, but not in part, upon the occurrence of a Tax Deductibility Event, a Rating Event, an Accounting Event, a Change of Control Event, a Withholding Tax Event or a Substantial Repurchase Event, as further described in the Terms and Conditions (however, please note that the occurrence of any of these events do not entitle any of the Noteholders to enforce and accelerate the Capital Notes).

Furthermore, the Issuer may elect to redeem the Capital Notes in whole, but not some only, at par on the First Call Date or on any Interest Payment Date falling thereafter. The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Capital Notes on the market or in any other way and Capital Notes held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled, provided that the aggregate principal amount of the Capital Notes subject to such cancellation represents eighty (80) per cent. or more of the aggregate principal amount of the Capital Notes issued (which shall include, for these purposes, any Subsequent Capital Notes).

If the Capital Notes are redeemed, Noteholders are entitled the right to receive a redemption amount, which may exceed the nominal amount of the Capital Notes. There is a risk that the market value of Capital Notes is higher than the amount received at redemption and that it may not be possible for Noteholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Capital Notes and may only be able to do so at a significantly lower rate.

Substitution or variation of the Capital Notes

There is a risk that, after the issue of the Capital Notes, a Tax Deductibility Event, a Rating Event, an Accounting Event or a Withholding Tax Event may occur which would entitle the Company, without any requirement for the consent or approval of the Noteholders, to substitute all, but not only some, Capital Notes for, or vary the terms of the relevant Capital Notes so that they become or remain (as the case may be), Qualifying Capital Notes (as defined in the Terms and Conditions).

Whilst Qualifying Capital Notes are required to have terms which are not materially less favourable to Noteholders than the terms of the Capital Notes (as reasonably determined by the Company in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing), there can be no assurance that the Qualifying Capital Notes will not have a significant adverse impact on the price of, and/or the market for, the Capital Notes, nor that there will not be any adverse tax consequences for any Noteholders of the Capital Notes arising from such substitution or variation.

Risks related to the Capital Notes floating rate structure

The value of the Capital Notes depends on several factors, one of the most significant over time being the level of market interest. The Capital Notes will carry a floating rate interest at the rate of 3-month STIBOR plus a margin. The interest rate will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. Investors in the Capital Notes are thus exposed to a risk that the market value of the Capital Notes may be adversely affected by changes in market interest rates.

The general interest rate level is to a high degree affected by the state of the Swedish and international economy and is outside the Issuer's control. Further, the process for determining STIBOR is subject to EU-regulations (see further the risk factor "Benchmark regulation" below) which effect cannot be fully assessed at the moment.

Accounting risks relating to the treatment of the Capital Notes

The Capital Notes are treated as equity pursuant to IAS 32 Financial Instruments, and consequently, the Capital Notes will not be accounted for as financial liabilities. However, the International Accounting Standards Board (“IASB”) published the discussion paper “Financial Instruments with Characteristics of Equity” in June 2018 (the “**Discussion Paper**”). The Discussion Paper sets out the IASB’s preferred approach to classification of a financial instrument such as the Capital Notes, from the perspective of an issuer, as a financial liability or an equity instrument. The changes to the accounting standards addressed in the Discussion Paper would, if implemented, most likely lead to financial instruments such as the Capital Notes being classified as financial liabilities rather than equity as per the current accounting standards. The IASB has yet to formally announce their decision on the direction of the project regarding the potential changes to the accounting standard. Hence, at the time of this investor presentation it is unclear to what extent the proposals in the Discussion Paper will result in changes to the accounting standard.

If the changes to the accounting standard proposed in the Discussion Paper would be implemented as currently proposed in the Discussion Paper, it would most likely lead to the Capital Notes being classified as financial liabilities of the Issuer, which in turn would have a materially adverse effect on the Issuer’s financial position due to an increase of financial liabilities.

No action against the Issuer and Noteholders’ representation

In accordance with the Terms and Conditions, the Agent will represent all Noteholders in all matters relating to the Capital Notes and the Noteholders are prevented from taking unilateral action against the Issuer. Consequently, individual Noteholders do not have the right to take legal action to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies against the Issuer, unless and until a requisite majority of the Noteholders agree to take such action. There is consequently, a risk that the value of the Capital Notes will decrease meanwhile a requisite majority is not willing to take necessary legal actions against the Issuer. The unwillingness of a majority of Noteholders to act could thus damage the value of other Noteholder’s investments in the Capital Notes.

However, there is a risk that an individual Noteholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could adversely affect other actions against the Issuer. For example, would an individual Noteholder initiate a bankruptcy proceeding against the Issuer, such proceeding could, despite being in breach of the Terms and Conditions, be legally valid, and consequently, cause damage to the Issuer and/or the other Noteholders.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures, including the right to agree to amend and waive provisions under the Terms and Conditions, that bind all Noteholders. Consequently, there is a risk that the actions of the Agent in such matters will affect a Noteholder’s rights under the Terms and Conditions in a manner that is undesirable or negative for some of the Noteholders, and consequently, the materiality of such risks are dependent on the preferences of each Noteholder.

Benchmark regulation

The process for determining STIBOR and other interest-rate benchmarks is subject to a number of statutory rules and other regulations. Some of these rules and regulations have already been implemented, whilst some are due to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives

2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited period in which the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility in respect of some benchmarks. There is a risk that increased administrative requirements and the resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of STIBOR, the benchmark used for the Capital Notes, it could potentially be detrimental to the Noteholders.

Statement of Responsibility

The Company issued the Initial Capital Notes on 15 June 2021, and Subsequent Capital Notes with an aggregate nominal amount of SEK 100,000,000, in each case as resolved on the meeting of the Board of Directors held on 14 May 2021. The Company issued additional Subsequent Capital Notes with an aggregate nominal amount of SEK 150,000,000 on 17 August 2021 as resolved on the meeting of the Board of Directors held on 10 August 2021.

This Prospectus has been prepared in connection with the Company's application to list the Capital Notes on Nasdaq Stockholm, in accordance with the Prospectus Regulation.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) as competent authority under the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus nor should it be considered as an endorsement of the quality of the Capital Notes and investors should make their own assessment as to the suitability of investing in the Capital Notes.

The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Stockholm, 7 December 2021

Ilija Batljan Invest AB

The Board of Directors

The Capital Notes in Brief

This section contains a general description of the Capital Notes. It does not claim to be comprehensive or cover all details of the Capital Notes. 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 Capital Notes. The Terms and Conditions for the Capital Notes can be found in the section Terms and Conditions. Terms and concepts defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context or otherwise defined in this Prospectus.

The Company:	Ilija Batljan Invest AB, a public limited liability company with company registration number 559053-5166.
The Capital Notes:	SEK 750,000,000 with ISIN SE0016101638
Initial Note Issue:	SEK 500,000,000 issued on the First Issue Date, being 15 June 2021.
Subsequent Note Issues:	SEK 150,000,000 issued on 17 August 2021 and SEK 100,000,000 issued on 24 June 2021, in aggregate, a total of SEK 250,000,000 Subsequent Capital Notes have been issued.
Capital Notes to be admitted to trading:	This Prospectus relates to admission to trading of the 600 Capital Notes issued by the Issuer, having a Total Nominal Amount of SEK 750,000,000.
Use of proceeds:	The Issuer shall use the proceeds from the issue of the Capital Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Capital Notes, towards general corporate purposes.
Type of securities:	Subordinated perpetual floating rate callable capital notes.
No maturity:	The Capital Notes are perpetual and have no specified maturity date. The Issuer may only redeem the Capital Notes in the circumstances described in Clause 11 (<i>Redemption and Repurchase of the Capital Notes</i>) of the Terms and Conditions. The Capital Notes are not redeemable at the option of the Noteholders at any time.
Type and rank of debt:	<p>In the event of a voluntary or involuntary liquidation or bankruptcy of the Issuer the Capital Notes constitute direct, subordinated and unsecured obligations of the Issuer and shall rank (i) <i>pari passu</i> and without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of the Parity Capital Notes, (ii) in priority to all present and future claims in respect of the Ordinary Shares of the Issuer and any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Notes or any Parity Note and (iii) junior to any present or future claims in respect of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.</p> <p>In the event of a company re-construction of the Issuer under the Swedish Business Reorganization Act (<i>Sw. lagen om företagsrekonstruktioner</i>) the Capital Notes constitute direct, subordinated and unsecured</p>

	<p>obligations of the Issuer and shall rank (i) <i>pari passu</i> and without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of the Parity Capital Notes and (ii) junior to any present or future claims in respect of all unsubordinated obligations of the Issuer and all Subordinated Indebtedness.</p>
Listing:	<p>The Issuer shall ensure that the Capital Notes are admitted to trading on Nasdaq Stockholm (or any other Regulated Market) within one hundred and eighty (180) days after the Issue Date.</p> <p>Following an admission to trading, the Issuer shall ensure that the Capital Notes continue being listed thereon (however, subject to and taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Notes in close connection to the redemption of the Capital Notes and taking into account that if the Capital Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).</p>
Nominal Amount and Denomination:	<p>The Initial Nominal Amount of each Note is SEK 1,250,000. All Capital Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The Capital Notes are denominated in SEK.</p>
Central Securities Depository (the “CSD”):	<p>The Issuer’s central securities depository and registrar in respect of the Capital Notes, from time to time, is initially, Euroclear P.O. Box 191, SE-101 23 Stockholm, Sweden.</p> <p>The Capital Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued. Accordingly, the Capital Notes are registered in accordance with the Swedish Financial Instruments Accounts Act (<i>Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).</p>
First Issue Date:	<p>15 June 2021.</p>
Agent:	<p>Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.</p> <p>By acquiring Capital Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions.</p> <p>The Agent shall perform certain tasks in connection with the Capital Notes, such as call for a meeting among the Noteholders to decide upon any issue or matter in relation to the Capital Notes. 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 (<i>Sw. skuldbok</i>) kept by the CSD in respect of the Capital Notes. The Issuer may not revoke any</p>

	<p>such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.</p> <p>The Terms and Conditions are available at the Agent's website www.nordictrustee.com.</p>
<i>Transferability:</i>	<p>The Capital Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Capital Notes, as applicable from time to time, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.</p>
<i>Interest on the Capital Notes:</i>	<p>The Interest Rate in respect of each Interest Period prior to the 2031-Step-up Date shall be the aggregate of the relevant Margin and the relevant STIBOR for such Interest Period. The Interest Rate in respect of each Interest Period falling after the 2031 Step-up Date and the 2046 Step-up Date shall be the aggregate of the relevant Margin and the relevant STIBOR for such Interest Rate Period.</p> <p>Margin means:</p> <ul style="list-style-type: none"> (i) in respect of the period from (but excluding) the First Issue Date to (and including) the 2031 Step-up Date, 6.75 per cent, <i>per annum</i> (ii) in respect of the period from (but excluding) the 2013 Step-up Date to (and including) the 2046 Step-up Date, 7.00 per cent, <i>per annum</i>; and (iii) in respect of the period from (but excluding) the 2046 Step-up Date and thereafter, 7.75 per cent, <i>per annum</i>.
<i>Interest Payment Date:</i>	<p>Subject to Clause 10 (<i>Optional Interest Deferral</i>) of the Terms and Conditions, Interest on the Capital Notes shall be paid on the Interest Payment Dates, being 15 March, 15 June, 15 September and 15 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Capital Notes shall be 15 September and the last Interest Payment Date shall be the relevant Redemption Date.</p>
<i>Deferral of Interest Payments:</i>	<p>The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Notes are to be redeemed) by giving notice of such election to the Noteholders, the Issuing Agent and the Agent in accordance with the Terms and Conditions. See further Clause 10 (<i>Optional Interest Deferral</i>) of the Terms and Conditions.</p>
<i>Redemption (call option):</i>	<p>The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not only some, of the Capital Notes on the First Call Date or on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.</p>

<p><i>Voluntary total redemption due to a Tax Deductibility Event, a Rating Event or an Accounting Event:</i></p>	<p>If a Tax Deductibility Event, a Rating Event or an Accounting Event has occurred and is continuing, the Issuer may, by giving notice in accordance with the Terms and Conditions, redeem all, but not some only, of the Capital Notes at any time at an amount equal to (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date, together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.</p>
<p><i>Voluntary total redemption due to a Withholding Tax Event or a Substantial Repurchase Event:</i></p>	<p>If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving notice in accordance with the Terms and Conditions, redeem all, but not some only, of the Capital Notes at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.</p>
<p><i>Voluntary total redemption due to a Change of Control Event:</i></p>	<p>If after the First Issue Date (i) a Change of Control occurs and (ii) within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs the Issuer may, at the earliest on the date following the expiry of the Exercise Period, and upon giving notice in accordance with the Terms and Conditions, redeem all, but not some only, of the Capital Notes at an amount equal to 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.</p>
<p><i>Prescription:</i></p>	<p>The right to receive repayment of the principal of the Capital Notes shall be prescribed and become void ten (10) years from the relevant 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.</p>
<p><i>Rights:</i></p>	<p>A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.</p>
<p><i>Benchmark Regulation:</i></p>	<p>The interest payable under the Capital Notes is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.</p> <p>As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“SFBF”) which provides STIBOR, assumes overall responsibility of and is the principal for STIBOR, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that the SFBF is not currently required to obtain authorisation or registration.</p>

Applicable law:

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

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

Information about Ilija Batljan Invest AB

Company description

The Company, Ilija Batljan Invest AB (publ) (being the Company's legal and commercial name (Sw. *handelsbeteckning*) is registered with the Swedish Company Registration Office (Sw. *Bolagsverket*), with registration number 559053-5166. The Company was founded on 2 March 2016 in Sweden in accordance with Swedish law. The Company is a Swedish public limited liability company and the Company's operations are regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company's Legal Entity Identifier (LEI) code is: 549300VV0JYKQIKUF591 and the Company's registered address is c/o Newsec Property Asset Management AB, Box 11405, 404 29 Göteborg, Sweden and its registered seat is in the county of Stockholm, municipality of Stockholm.

According to the Company's current articles of association, adopted on 2 February 2020, the Company's business shall be to directly or indirectly own and manage properties and/or shares and to conduct activities compatible therewith.

The Company's website is www.ilijabatljaninvest.com. Please note that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the Prospectus.

Operations

The object of the Group is to own, manage, acquire and sell properties and/or shares. The Company is a holding company wholly owned by Ilija Batljan privately and through companies. The Company's investment activities can in a simplified manner be divided into four main segments. The first segment is the Company's core holdings in the Nasdaq listed Swedish property company SBB. As of 30 May 2021, the company owned 4.8 per cent. of the capital in SBB, controlled 18.9 per cent. of the voting rights and the shares owned by the Company amounted to about 64 per cent. of the Company's investment portfolio. The second, third and fourth segments are (2) investments in real estate and logistics, (3) sustainable impact investments and (4) digital investments. As of 30 May 2021, the Company's investment portfolio was divided, as follows, between the four segments:

1. Core holdings in SBB (64 %)
2. Real Estate & Logistics (21 %)
3. Sustainable Impact Investments (11 %)
4. Digital Investments (5 %)

Material events, changes and trends

On 15 June 2021, the Issuer issued the Initial Capital Notes, on 24 June 2021, the Issuer issued Subsequent Capital Notes with a total Nominal Amount of SEK 100,000,000 and on 17 August 2021 the Issuer issued Subsequent Capital Notes with a total Nominal Amount of SEK 150,000,000. The proceeds from the issues of the Capital Notes have been applied towards general corporate purposes. The relevant terms of the Capital Notes are summarised under the section "The Capital Notes in Brief" and the complete Terms and Conditions are set out on pages 28-64 of this Prospectus.

Additionally, on 15 June 2021, the Issuer issued senior unsecured floating rate green notes (“Green Notes”) with an aggregate nominal amount of SEK 1,100,000,000 and on 15 October 2021, the Issuer issued subsequent Green Notes with an aggregate nominal amount of SEK 100,000,000.

On 2 August 2021, Castellum AB (publ) made a recommended public takeover offer to the shareholders of Kungsleden AB (publ) (where the Company’s JV company Ilija Batljan Invest Fast1 AB was the second largest shareholder) to acquire all shares in Kungsleden AB (publ) in order for the companies to merge. The takeover was completed on 10 November 2021.

Aside from the takeover, the issue of the Capital Notes under the Terms and Conditions and the above described issues of Green Notes, there have been no significant changes in the Group’s financial position or financial performance since the end of the last financial period for which financial information has been published and there are no other recent events particular to the Company which are to material extent relevant to the evaluation of the Company’s solvency.

Moreover, there has been no material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement and no significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus.

Legal structure and ownership structure

As at the date of this Prospectus the Company has three (3) wholly owned direct subsidiaries; IB Invest Eskilstuna AB, Reg. No. 559162-3227, Ilija Batljan Invest Kristianstad AB, Reg. No. 559161-5504, and Rustebud 1:161 Fastighets AB, Reg. No. 559199-4545, through which various parts of the Company’s operations are conducted. The Company is the parent company in the Group and does only conduct limited business operations, it mainly functions as a holding company for the operating business of the Group. As a consequence of the operations being conducted through the Company’s subsidiaries, the Company is, to a large extent, dependent on its subsidiaries in order to generate profit and cash flow and, thus, to be able to meet its obligations under the Capital Notes.

Majority shareholders per 20 November 2021

Majority shareholder(s)	Shares (=votes)	Per cent. (%) of capital
Ilija Batljan	21,500	43 %
Health Runner AB	28,500	57 %
Sum:	50,000	100 %

The Company is wholly owned by Ilija Batljan, partly in person, partly through Ilija Batljan’s wholly owned company Health Runner AB.

In its decision making and administration, in order to ensure that control over the Company is not abused, the Company follow the provisions of applicable law and relevant regulations, entailing, *inter alia*, that the Board of Directors and the shareholders observe the rules regarding corporate governance in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the procedural rules in the Company’s Articles of Association, and that the shareholders exercise their influence through active participation in the decisions made at the shareholder’ meeting.

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Board of Directors

The Company's Board of Directors consists of three (3) ordinary board members, including the chairman. The members of the Board of Directors, their position and other relevant assignments are set forth below. All board members can be contacted through the Company's office address, Strandvägen 1, 114 51 Stockholm.

Johan Råsberg (born 19 July 1972) — Chairman of the Board of Directors

Other relevant assignments: Managing Partner at Wistrand Advokatbyrå.

Ilija Batljan (born 23 July 1967) — Member of the Board of Directors

Other relevant assignments: CEO and member of the Board of SBB, Chairman of the Board of Health Runner AB, Chairman of the Board of Cryptzone Group AB.

Mia Batljan (born 12 August 1992) — Member of the Board of Directors

Other relevant assignments: Member of the Board of Hexicon, Member of the Board of Hemply Balance, Member of the Board of DIB Travel, Member of the Board of Eniro, Member of the Board of Kameo.

Management

Ilija Batljan is the chief executive officer of the Company and the sole member of the Company's management. His other relevant assignments outside the Company are set forth above under "*Board of Directors*". The Company's management can be contacted through the Company's office address, Strandvägen 1, 114 51 Stockholm.

Conflicts of interest

There are no conflicts of interest or potential conflicts of interest between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, Ilija Batljan, member of the Board of Directors and the Company's chief executive officer, has certain financial interests in the Company as a consequence of his holdings of shares in the Company.

Auditor

The Company's auditor is presently Ernst & Young Aktiebolag with authorised auditor Ingemar Rindstig as the auditor in charge. Ingemar Rindstig was re-elected as auditor of the Company at the annual general meeting 2021 for the time until the end of the next annual meeting. For the avoidance of doubt, Ingemar Rindstig has been the Company's auditor in charge for the financial periods

covered by this Prospectus to present day. Ingemar Rindstig can be contacted at Ernst & Young Aktiebolag, Jakobsbergsgatan 24, 111 44 Stockholm. Ingemar Rindstig is a member of FAR SRS.

Financial reports

The Company's annual reports for 2020 and 2019 have been audited by the Company's current auditor Ingemar Rindstig.

The consolidated annual accounts of the Group relating to the financial year 2020 have been prepared in accordance with IFRS. The annual report relating to the financial year 2019 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's recommendation BFNAR 2016:10.

Credit ratings

On 28 May 2021, Scope Ratings GmbH, assigned a long-term debt issuer rating of BBB- with stable outlook to the Company.

Material agreements

The Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Capital Notes to the Noteholders.

Disputes and litigation

During the past 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company or the Group.

Expected date for listing, market place and costs relating to the listing

The Capital Notes will be admitted to trading on Nasdaq Stockholm on or around 5 December 2021, for which listing this Prospectus has been prepared. The accrued costs relating to the listing are approximately SEK 100,000.

Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's website, www.ilijabatljaninvest.com:

- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company;
- this Prospectus;

- the Terms and Conditions entered into between the Company and the Agent;
- the audited consolidated financial statements of the Group, including the auditor's report, for the financial years 2019 and 2020; and
- the documents listed below, which are incorporated by reference.

Please note that the information on the Company's website does not form part of this Prospectus, unless explicitly incorporated by reference, and have not been scrutinised or approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*).

Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following financial information and audit reports which is incorporated by reference and available in electronic format on the Company's website, www.ilijabatljaniinvest.com, during the period of validity of this Prospectus. The financial statements and the auditor's report relating to the financial year 2019 are incorporated by reference to the extent set out below. The audit reports relating to the financial year 2020 (incorporated as a separate document) is incorporated in its entirety.

The Group's interim report for the period 30 June 2021 – 30 September 2021:	
Consolidated income statement	p. 4
Consolidated balance sheet	p. 5
Consolidated statement of changes in equity	p. 6
Consolidated cash flow analysis	p. 7

The Group's audited consolidated financial statements for the financial year 2020	
Consolidated income statement	p. 4
Consolidated balance sheet	p. 5
Consolidated statement of changes in equity	p. 6
Consolidated cash flow analysis	p. 7
Notes	p. 8-15
Description of the accounting principles applied	p. 8-10

The Group's audited consolidated financial statements for the financial year 2019	
Income statement	p. 4
Balance sheet	p. 5-6

Notes	p. 7
Description of the accounting principles applied	p. 7
Auditor's report	p. 13-14

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above referred documents that has not been incorporated by reference is either deemed by the Company not to be relevant for the investors of the Capital Notes or is covered elsewhere in the Prospectus. Further, unless otherwise explicitly stated herein, no information contained in this Prospectus has been audited or reviewed by the Company's auditor.

Complete Terms and Conditions

1 Definitions and construction

1.1 Definitions

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

“**2031 Step-up Date**” means 15 September 2031.

“**2046 Step-up Date**” means 15 September 2046.

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

“**Accounting Event**” means, in relation to the Capital Notes, the receipt by the Issuer of an opinion of an authorised accountant (Sw. *auktoriserad revisor*) from a well-reputed accounting firm in Sweden (experienced in such matters) to the effect that, as a result of a change in IFRS or any other accounting standards that the Issuer may adopt in the future for the preparation of its audited annual consolidated financial statements in accordance with Swedish company law, the equity treatment of the Subordinated Notes as “equity” in full in the Group's consolidated financial statements has or will cease.

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

“**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, regarding, inter alia, the remuneration payable to the Agent.

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

“**Base Rate**” means STIBOR (3 months) or any reference rate replacing STIBOR

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

“**Business Day**” means a day in Sweden other than a Saturday or Sunday or other public holiday. 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.

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

“**Capital Note**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Capital Notes and any Subsequent Capital Notes.

“**Change of Control**” means the occurrence of an event or series of events whereby the Shareholder ceases to own and have the right to vote as he or it sees fit for one-hundred (100) per cent of the total number of shares and votes in the Issuer.

“**Change of Control Event**” has the meaning ascribed to it in Clause 11.5.1.

“**Change of Control Notice**” has the meaning ascribed to it in Clause 11.5.2.

“**Change of Control Period**” means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement, if any, (the

“**Commencement Date**”) and (ii) ending on the date which is the 120th day after the date of the first public announcement of the relevant Change of Control (such 120th day, the

“**Initial Longstop Date**”); provided that, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 90 days after the date of such public announcement by such Rating Agency.

“**Change of Control Step-up Date**” means the date which falls 30 days after the expiry of the Exercise Period.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Capital Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**Default Event**” means an event or circumstance specified in Clauses 16.1 and 16.2.

“**Deferral Notice**” has the meaning given in Clause 10.1.1.

“**Deferred Interest**” has the meaning given in Clause 10.1.2.

“**Deferred Interest Payment Event**” means any one or more of the following events:

- (a) declaration or payment of any distribution or dividend or any other payment made by the Issuer on its share capital or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Notes or any Parity Notes;
- (b) declaration or payment of any distribution or dividend or any other payment made by the Issuer or any Subsidiary of the Issuer, as the case may be, on any Parity Notes;
- (c) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any shares of the Issuer or any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Notes or any Parity Notes; and/or
- (d) redemption, repurchase, repayment, cancellation, reduction or other acquisition by the Issuer or any Subsidiary of the Issuer of any Parity Notes,

save for:

- (i) in each case, any compulsory distribution, dividend, other payment, redemption, repurchase, repayment, cancellation, reduction or other acquisition required by the terms of such securities or by mandatory operation of applicable law;
- (ii) in the case of (c) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in connection with, or for the purpose of (1) any reduction of the quota value of the share capital of the Issuer without a corresponding return of cash, capital or assets to shareholders of the Issuer or (2) any existing or future stock option plan or free share allocation plan or other incentive plan, in all cases, reserved for directors, officers and/or employees of any Subsidiary of the Issuer, subject to any such Subsidiary having its shares listed on a Regulated Market, or any associated hedging transaction; and
- (iii) in the case of (d) above only, any redemption, repurchase, repayment, cancellation, reduction or other acquisition executed in whole or in part in the form of a public tender offer or public exchange offer at a consideration per Parity Note below its par value.

"Exercise Period" means the period from the date on which the Change of Control Event occurred to the day which is the earlier of (a) 90 days after such date and (b) on the last day on which holders of senior indebtedness of the Issuer, which have a right to put such senior indebtedness for redemption, due to the occurrence of a Change of Control Event, have received the put redemption proceeds

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

"First Call Date" means 15 September 2026.

"First Issue Date" means 15 June 2021.

"Fitch" means Fitch Ratings Ltd.

“**Force Majeure Event**” has the meaning set forth in Clause 28.1.

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

“**IFRS**” means international financial reporting standards within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Initial Capital Notes**” means the Capital Notes issued on the First Issue Date in the total amount of SEK 500,000,000.

“**Initial Interest Rate**” has the meaning given in Clause 9.3.1.

“**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 (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

“**Interest Amount**” has the meaning given in Clause 9.5.

“**Interest Payment**” means, in respect the payment of interest on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Clause 9 (*Interest Payments*).

“**Interest Payment Date**” has the meaning given in Clause 9.1.2.

“**Interest Period**” means the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date and each successive period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date.

“**Interest Rate**” means the Initial Interest Rate or the relevant Interest Rate, as the case may be.

“**Issuer**” means Ilija Batljan Invest AB, a limited liability company incorporated under the laws of Sweden with Reg. No. 559053-5166.

“**Issuer Re-construction**” has the meaning given in Clause 4.1.

“**Issuer Winding-up**” has the meaning given in Clause 4.1.

“**Issuing Agent**” means Nordea Bank Abp, filial i Sverige, Reg. No. 516411-1683 or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Margin**” means:

- (a) in respect of the period from (but excluding) the First Issue Date to (and including) the 2031 Step-up Date, 6.75 per cent. *per annum*;
- (b) in respect of the period from (but excluding) the 2031 Step-up Date to (and including) the 2046 Step-up Date, 7.00 per cent. *per annum*; and

(c) in respect of the period from (but excluding) the 2046 Step-up Date and thereafter, 7.75 per cent. *per annum*.

“**Moody’s**” means Moody’s Investors Services Ltd.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB (Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**NCR**” means Nordic Credit Rating AS.

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

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 18 (*Noteholders’ Meeting*).

“**Ordinary Shares**” means ordinary shares in the capital of the Issuer.

“**Parity Notes**” means any obligations of:

- (a) the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Capital Notes; and
- (b) any Subsidiary of the Issuer having the benefit of a guarantee or support agreement from the Issuer which ranks or is expressed to rank *pari passu* with the Capital Notes.

“**Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (where “near-term” shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within 120 days of the date of such announcement of statement).

“**Qualifying Capital Notes**” means notes that contain terms not materially less favourable to Noteholders than the terms of the Capital Notes (as reasonably determined by the Issuer in consultation with the Agent and an independent investment bank, independent financial adviser or legal counsel of international standing) and provided that a certification to such effect (and confirming that the conditions set out in (a) to (h) below have been satisfied) of two authorised signatories of the Issuer shall have been delivered to the Agent and the Issuing Agent prior to the substitution or variation of the Capital Notes), provided that:

- (a) they shall (i) be issued by the Issuer or by any wholly-owned direct or indirect finance Subsidiary of the Issuer with a guarantee of the Issuer or (ii) constitute a variation of the Capital Notes in accordance with Clause 12 (*Substitution or Variation*); and
- (b) they (and/or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* on an Issuer Winding-up with the ranking of the Capital Notes; and

- (c) they shall contain terms which provide for the same Interest Rate from time to time applying to the Capital Notes and preserve the same Interest Payment Dates; and
- (d) they shall preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Capital Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; and
- (e) they shall preserve any existing rights under the Capital Notes to any accrued interest, any Deferred Interest and any other amounts payable under the Capital Notes which, in each case, has accrued to Noteholders and not been paid; and
- (f) they shall not contain terms providing for the mandatory deferral of interest and shall not contain terms providing for loss absorption through principal write-down or conversion to Ordinary Shares or preference shares; and
- (g) they shall, immediately after such exchange or variation, be assigned at least the same credit rating(s) by the same Rating Agency(ies) as may have been assigned to the Capital Notes immediately prior to such exchange or variation (if any); and
- (h) they shall otherwise contain substantially identical terms (as reasonably determined by the Issuer) to the Capital Notes, save where any modifications to such terms are required to be made to avoid the occurrence or effect of a Tax Deductibility Event, a Rating Event, an Accounting Event or, as the case may be, a Withholding Tax Event; and
- (i) they shall be (i) listed on the corporate bond list of Nasdaq Stockholm and admitted to trading on Nasdaq Stockholm's Regulated Market or (ii) admitted to trading on any other Regulated Market for the purposes of Directive 2014/65/EU as selected by the Issuer on, or as soon as reasonably practicable after issue; and
- (j) they shall be compatible with the requirements of the CSD.

“**Rating Agency**” means Fitch, Moody’s, NCR, Scope Ratings and S&P and any other rating agency of equivalent international standing requested by the Issuer to grant a corporate credit rating to the Issuer and, in each case, their successors or affiliates.

“**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if on the Commencement Date the Issuer carry:

- a) an investment grade credit rating (BBB-/Baa3/BBB-/BBB-/BBB-, or equivalent, or better) (an "**Investment Grade Rating**") from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and, within the Change of Control Period, any such Rating Agency downgrades its rating of the Issuer to a non-investment grade credit rating (BB+/Ba1/BB+/BB+/BB+ or equivalent, or worse) or withdraws its rating and such rating is not within the Change of Control Period (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade Rating by such Rating Agency; or
- b) a non-investment grade credit rating (BB+/Ba1/BB+/BB+/BB+ or equivalent or worse) from any Rating Agency (provided by such Rating Agency at the invitation or with the consent of the Issuer) and such rating of the Issuer from any Rating Agency is within the Change of Control Period downgraded by one

or more notches (for illustration, BB+/Ba1/BB+/BB+/BB+ to Ba2/BB/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency;
or

and in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such downgrading and/or withdrawal resulted, directly or indirectly, from the Change of Control or the Potential Change of Control Announcement (whether or not the Change of Control shall have occurred at the time such rating is downgraded and/or withdrawn).

“Rating Event” shall be deemed to occur if the Issuer has received confirmation from any Rating Agency either directly or via a publication by such Rating Agency, that an amendment, clarification or change has occurred in the equity credit criteria of such Rating Agency effective after the First Issue Date (or effective after the date when the equity credit is assigned for the first time, as applicable) and this has resulted in lower equity credit (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Capital Notes than the equity credit assigned on the First Issue Date.

“Record Date” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date or (iii) 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 Capital Notes are to be redeemed or repurchased in accordance with Clause 11 (Redemption and Repurchase of the Capital Notes).

“Regulated Market” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU).

“S&P” means Standard and Poor's Credit Market Services Europe Limited.

“Scope Ratings” means Scope Ratings GmbH.

“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.

“SEK” means the lawful currency of Sweden.

“Shareholder” means:

- (a) Ilija Batljan, personal ID no. 670723-0253, or his children, siblings or nephews or any spouse of any of the beforementioned persons;
- (b) any trust, foundation or similar legal entity in which one or more of the persons under (a) above is or are the sole beneficiary(ies); or
- (c) any other company, limited partnership or other legal entity which, directly or indirectly, is controlled by one or more of the persons under (a) above where control, direct or indirect, shall be present if one or more of the persons under (a) and (b) above alone or jointly have the right to cast one hundred (100) percent of the votes at the annual general meeting of the shareholders or equivalent governing body or own one hundred (100) percent or more of the economic rights of a such company, limited partnership or other entity.

“**Special Event**” means any of a Tax Deductibility Event, a Substantial Repurchase Event, a Rating Event, a Withholding Tax Event, an Accounting Event or any combination of the foregoing.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Base Rate Administrator for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the on the second Business Day before the first day of the relevant Interest Period (the “**Interest Determination Date**”) on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Interest Determination Date for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) 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
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Indebtedness**” means any obligation of the Issuer, whether or not having a fixed maturity, which by its terms is, or is expressed to be, subordinated in the event of an Issuer Winding-up to the claims of all unsubordinated creditors of the Issuer but senior to the Capital Notes or to the obligations of the Issuer in respect of any Parity Notes.

“**Subsidiary**” has the meaning provided in the Swedish Companies Act and “**Subsidiaries**” shall be construed accordingly.

“**Substantial Repurchase Event**” shall be deemed to occur if the Issuer and/or any of its Subsidiaries repurchases and cancels or has at any time repurchased and cancelled, a principal amount of Capital Notes equal to or greater than 80 per cent. of the aggregate principal amount of the Capital Notes initially issued (which shall include, for these purposes, any Subsequent Capital Notes).

“**Subsequent Capital Notes**” means any Capital Notes issued after the First Issue Date on one or more occasions.

“**Swedish Companies Act**” means the Swedish Companies Act (Sw. *Aktiebolagslagen* (2005:551)).

“**Tax Deductibility Event**” means the receipt by the Issuer of an opinion of counsel in Sweden (experienced in such matters) to the effect that, as a result of a Tax Law Change, any interest payments under the Capital Notes were, but are no longer, tax-deductible by the Issuer for Swedish tax purposes to the same extent as any unsubordinated obligations of the Issuer.

“**Tax Law Change**” means (a) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of Sweden, or any political subdivision or any authority thereof or therein having the power to tax, affecting taxation, (b) any governmental action (c) or any amendment to, clarification of, or change in the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in Sweden, irrespective of the manner in which such amendment, clarification, change, action, pronouncement, interpretation or decision is made known, which amendment, clarification or change is effective or such governmental action, pronouncement, interpretation or decision is announced on or after the First Issue Date.

“**Taxes**” has the meaning given in Clause 25 (*Taxation*).

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Capital Notes outstanding at the relevant time.

“**Withholding Tax Event**” shall be deemed to occur if, as a result of any Tax Law Change, in making any payments on the Capital Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts on the Capital Notes pursuant to Clause 25 (*Taxation*) and the Issuer cannot avoid the foregoing by taking reasonable measures available to it; and

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 19 (*Written Procedure*).

The following text in italics does not form part of the Terms and Conditions:

The Issuer intends (without thereby assuming any legal or contractual obligation whatsoever) that it will only redeem or repurchase Capital Notes to the extent that the equity credit of the Capital Notes to be redeemed or repurchased does not exceed the equity credit resulting from the sale or issuance during the 360-day period prior to the date of such redemption or repurchase by the Issuer or any subsidiary of the Issuer of replacement hybrid notes to third party purchasers (other than subsidiaries of the Issuer).

The foregoing shall not apply if:

- (a) *the issuer rating assigned by Scope Ratings to the Issuer is at least "BBB" (or such similar nomenclature then used by Scope Ratings) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*
- (b) *the Capital Notes are not even assigned "minimal equity content" (or such similar nomenclature then used by Scope Ratings) at the time of such redemption or repurchase; or*
- (c) *the Capital Notes are redeemed pursuant to Change of Control Event, a Tax Deductibility Event, a Rating Event, a Substantial Repurchase Event or a Withholding Tax Event; or*
- (d) *less than (x) 10 per cent. of the aggregate principal amount of the Capital Notes originally issued is repurchased pursuant to Clause 11.1 in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Capital Notes originally issued is repurchased in any period of 10 consecutive years; or*
- (e) *the relevant repurchase has followed an issuance of Ordinary Shares where the amount of equity credit resulting from such issuance is equal to or more than the amount of equity credit assigned by Scope Ratings to the Capital Notes being repurchased at the time of their issuance; or*
- (f) *such replacement would cause the Issuer's outstanding hybrid capital which is assigned equity credit by Scope Ratings to exceed the maximum aggregate principal amount of hybrid capital which Scope Ratings, under its then prevailing methodology, would assign equity credit to, based on the Issuer's adjusted total capitalisation; or*
- (g) *if such redemption or repurchase occurs on or after the 2046 Step-up Date.*

For the avoidance of doubt, the Issuer wishes to clarify that at any time, including during the period up to the fifth anniversary of the First Issue Date, the Issuer shall not be required to replace the Capital Notes if paragraph (e) or (f) above applies.

For the purposes of the foregoing, "equity credit" (or such similar nomenclature then used by Scope Ratings) describes:

- (i) *the part of the nominal amount of the Capital Notes that was assigned equity credit by Scope Ratings at the time of their issuance; and*
- (ii) *the part of the net proceeds received from issuance of replacement hybrid notes or Ordinary Shares that was assigned equity credit by Scope Ratings at the time of their sale or issuance (or the equity credit Scope Ratings has confirmed will be assigned by it upon expiry or waiver of issuer call rights which prevent the assignment of equity credit by Scope Ratings on the issue date of such replacement hybrid notes).*

1.2 Construction

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

- a) **"assets"** includes present and future properties, revenues and rights of every description;
- b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- c) 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;
- d) a provision of law is a reference to that provision as amended or re-enacted; and
- e) a time of day is a reference to Stockholm time.

- 1.2.2 When ascertaining whether a limit or threshold specified in SEK 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 SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2 Status of the Capital Notes

- 2.1 The Capital Notes are denominated in SEK and each Capital Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Capital Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Capital Notes, each initial Noteholder agrees that the Capital Notes shall benefit from and be subject to the Terms and Conditions and by acquiring Capital Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Capital Note is SEK 1,250,000 (the “**Nominal Amount**”). All Capital Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 Provided that no Default Event is continuing or would result from such issue, the Issuer may issue Subsequent Capital Notes however not later than on the date falling three (3) months after the First Issue Date. Subsequent Capital Notes shall benefit from and be subject to the Terms and Conditions, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and perpetual nature applicable to the Initial Capital Notes shall apply to Subsequent Capital Notes. The price of the Subsequent Capital Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Capital Notes (the Initial Capital Notes and all Subsequent Capital Notes) may not exceed SEK 750,000,000 unless consent from the Noteholders is obtained in accordance with Clause 17 (*Decisions by Noteholders*). Each Subsequent Capital Note shall entitle its holder to Interest in accordance with Clause 9 (*Interest Payments*), and otherwise have the same rights as the Initial Capital Notes.
- 2.5 The Capital Notes constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Noteholders in respect of the Capital Notes against the Issuer are subordinated as described in Clause 4 (*Subordination and rights on a winding-up and re-construction*).
- 2.6 The Capital Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Capital Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

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

3 Use of proceeds

The Issuer shall use the proceeds from the issue of the Capital Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Capital Notes, towards general corporate purposes.

4 Subordination and rights on a winding-up and re-construction

4.1 Rights on a winding-up or company re-construction

- 4.1.1 In the event of a voluntary or involuntary liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer (each an "Issuer Winding-up"), the Noteholders (or the Agent on their behalf) shall, in respect of their Capital Notes, have a claim (in lieu of any other amount) for the principal amount of their Capital Notes and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (a) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Notes;
- (b) in priority to all present or future claims in respect of (A) the Ordinary Shares of the Issuer and (B) any other obligation of the Issuer which ranks or is expressed by its terms to rank junior to the Capital Notes or any Parity Note; and
- (c) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

In the event of a company re-construction (Sw. *företagsrekonstruktion*) of the Issuer under the Swedish Business Reorganization Act (an "**Issuer Re-construction**"), the Noteholders (or the Agent on their behalf) shall, in respect of their Capital Notes, have a claim (in lieu of any other amount) for the principal amount of their Capital Notes and any accrued and unpaid interest (including any Deferred Interest) thereon and such claims will rank:

- (a) *pari passu* without any preference among themselves and with any present or future claims in respect of obligations of the Issuer in respect of Parity Notes; and
- (b) junior to any present or future claims in respect of (A) all unsubordinated obligations of the Issuer and (B) all Subordinated Indebtedness.

Claims in respect of the share capital of the Issuer, including preference shares (if any), are not subject to loss absorbing measures under an Issuer Re-construction.

4.2 Set-off

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Capital Notes and each Noteholder shall, by virtue of its holding of any Capital Note, be deemed to have waived all such rights of set-off, compensation or retention.

5 Conditions for settlement of the Capital Notes

- 5.1 The Issuer shall provide to the Agent three (3) Business Days prior to the First Issue Date the documents and other evidence set out in Schedule 1 (*Conditions Precedent for Settlement*).
- 5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, legally valid, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The documentation and evidence delivered to the Agent pursuant to Clause 5.1 are not reviewed by the Agent from a legal or commercial perspective of the Noteholders.
- 5.3 When the conditions in Clause 5.1 have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall without undue delay confirm in writing to the Issuing Agent, that the Issuing Agent may procure the settlement of the Capital Notes by way of transfer of the proceeds to an account as instructed by the Issuer.
- 5.4 The proceeds from any Subsequent Capital Notes shall be transferred to the Issuer once the Issuer has provided to the Agent a copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the issue of Subsequent Capital Notes. The Agent shall confirm in writing to the Issuing Agent when the conditions in this Clause 5.4 have been fulfilled to the satisfaction of the Agent (acting reasonably), after which the Issuing Agent shall procure the settlement of the Subsequent Capital Notes and transfer the proceeds to an account as instructed by the Issuer.

6 Capital Notes in book-entry form

- 6.1 The Capital Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Capital Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Capital Notes shall be directed to an Account Operator. The debt register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Capital Notes.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Capital Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 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 Capital Notes. At the request of the Agent or the Issuing Agent, the Issuer shall promptly obtain such information, including but not limited to information from the debt register kept by the CSD in respect of the Capital Notes, and provide it to the Agent or the Issuing Agent, as applicable. For the purpose of carrying out any administrative procedure that arises out of these Terms and Conditions, the Issuing Agent, as applicable, shall be entitled to obtain information from the debt register.

- 6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7 Right to act on behalf of a Noteholder

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Capital Notes held by it. Any such representative may act independently under the Terms and Conditions in relation to the Capital Notes for which such representative is entitled to represent the Noteholder.
- 7.3 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 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 7.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (Sw. *förvaltare*) with respect to a Capital Notes and the owner of such Capital Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

8 Payments in respect of the Capital Notes

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

- 8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment 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 as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.

9 Interest Payments

9.1 Interest Payment Dates

- 9.1.1 Each Initial Capital Note carries Interest at the Initial Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Capital Note 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.
- 9.1.2 Subject to Clause 10 (*Optional Interest Deferral*) and the Business Day Convention, interest shall be payable on the Capital Notes quarterly in arrears on 15 March, 15 June, 15 September and 15 December each calendar year (each an "**Interest Payment Date**") with the first Interest Payment Date being 15 September.

9.2 Interest Accrual

- 9.2.1 The Capital Notes (and any unpaid amounts thereon) will bear interest to (and including) the date of redemption thereof pursuant to the relevant paragraph of Clause 11 (*Redemption and Repurchase of the Capital Notes*) or the date of substitution or variation thereof pursuant to Clause 12 (*Substitution or Variation*), as the case may be.
- 9.2.2 Interest shall be calculated based upon actual/360-days basis.

9.3 Initial Interest Rate

- 9.3.1 The Interest Rate in respect of each Interest Period commencing prior to the 2031 Step-up Date shall be the aggregate of the relevant Margin and the relevant STIBOR for such Interest Period, all as determined by the Issuing Agent (the "**Initial Interest Rate**").
- 9.3.2 The Interest Payment in respect of each Interest Period may be deferred in accordance with Clause 10 (*Optional Interest Deferral*).

9.4 Step-up Interest Rates

The Interest Rate in respect of each Interest Period falling after the 2031 Step-up Date and the 2046 Step-up Date respectively shall be the aggregate of the relevant Margin and the relevant STIBOR for such Interest Period, all as determined by the Issuing Agent (each a "Step-up Interest Rate").

9.5 Determination of Step-up Interest Rates and Calculation of Interest Amounts

The Issuing Agent shall, at or as soon as practicable after 11.00 a.m. (Stockholm time) on each Interest Determination Date, determine the Step-up Interest Rate in respect of the Interest Period commencing immediately following such Interest Determination Date and shall calculate the amount of interest which will (subject to deferral in accordance Clause 10 (*Optional Interest Deferral*)) be payable in respect of each such Interest Period (the "Interest Amount").

9.6 Publication of Step-up Interest Rates and Interest Amounts

Unless the Capital Notes are to be redeemed, the Issuer shall cause notice of each Step-up Interest Rate and the related Interest Amount to be given to the Agent, the Issuing Agent, any stock exchange on which the Capital Notes are for the time being listed or admitted to trading and, in accordance with Clause 14 (*Notices*), the Noteholders, in each case as soon as practicable after its determination but in any event not later than the first Business Day of the relevant Interest Period.

9.7 Issuing Agent

The Issuer may from time to time replace the Issuing Agent with another independent financial institution. If the Issuing Agent is unable or unwilling to continue to act as the Issuing Agent or fails to determine a Step-up Interest Rate or calculate the related Interest Amount or effect the required publication thereof (in each case as required pursuant to these Terms and Conditions), the Issuer shall forthwith appoint another independent financial institution to act as such in its place. The Issuing Agent may not resign its duties or be removed without a successor having been appointed as aforesaid. If the Issuer fails to appoint a successor Issuing Agent in a timely manner, then the Issuing Agent shall be entitled to appoint as its successor a reputable financial institution of good standing which the Issuer and the Agent shall approve.

9.8 Determinations of Issuing Agent Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Clause 9 by the Issuing Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing Agent and all Noteholders and (in the absence of wilful default and bad faith) no liability to the Noteholders or the Issuer shall attach to the Issuing Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

9.9 Step-up after first Change of Control Event

Notwithstanding any other provision of this Clause 9, if the Issuer does not elect to redeem the Capital Notes in accordance with Clause 11.5 following the occurrence of the

first Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Clause 9, on the Capital Notes shall be increased by 5.00 per cent. *per annum* with effect from (and including) the day immediately following the Change of Control Step-up Date.

10 Optional Interest Deferral

10.1 Deferral of Interest Payments

10.1.1 The Issuer may, at any time and at its sole discretion, elect to defer any Interest Payment, in whole but not in part, which is otherwise scheduled to be paid on an Interest Payment Date (except on any Interest Payment Date on which the Capital Notes are to be redeemed) by giving notice (a “**Deferral Notice**”) of such election to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the relevant Interest Payment Date.

10.1.2 Any Interest Payment so deferred pursuant to this Clause 10 shall, from (but excluding) the Interest Payment Date on which such Interest Payment would (but for its deferral) have been payable to (and including) the date on which it is paid in full, itself bear interest at the Interest Rate prevailing from time to time (which interest shall compound on each Interest Payment Date) and, for so long as the same remains unpaid, such deferred interest (together with the interest accrued thereon) shall constitute “**Deferred Interest**”.

10.1.3 The deferral of an Interest Payment in accordance with this Clause 10 shall not constitute a Default Event by the Issuer under the Capital Notes or for any other purpose.

10.2 Settlement of Deferred Interest

Optional Settlement

10.2.1 Deferred Interest may be paid (in whole but not in part) at any time at the option of the Issuer following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent not less than seven (7) Business Days prior to the date (to be specified in such notice) on which the Issuer will pay such Deferred Interest.

Mandatory settlement

10.2.2 The Issuer shall pay any Deferred Interest, in whole but not in part, on the first to occur of the following dates:

- (a) the tenth (10th) Business Day following the date on which a Deferred Interest Payment Event occurs;
- (b) any Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and
- (c) the date on which the Capital Notes are redeemed or repaid in accordance with Clause 11 (*Redemption and Repurchase of the Capital Notes*) or Clause 16 (*Default and Enforcement*).

Notice of any Deferred Interest Payment Event shall be given by the Issuer to the Noteholders in accordance with Clause 14 (*Notices*), the Issuing Agent and the Agent within three (3) Business Days of such event.

11 Redemption and Repurchase of the Capital Notes

11.1 Issuer's purchase of Notes

The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Capital Notes on the market or in any other way at prices aligned with current market prices of the Capital Notes (traded or quoted). The Capital Notes held by the Issuer or any Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled, provided that the aggregate principal amount of the Capital Notes subject to such cancellation represents eighty (80) per cent or more of the aggregate principal amount of the Capital Notes issued (which shall include, for the purposes hereof, any Subsequent Capital Notes).

11.2 Issuer's Call Option

11.2.1 The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Notes on the First Call Date or on any Interest Payment Date thereafter at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

11.2.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes.

11.3 Redemption upon a Tax Deductibility Event, a Rating Event or an Accounting Event

11.3.1 If a Tax Deductibility Event, a Rating Event or an Accounting Event has occurred and is continuing, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*), redeem all, but not some only, of the Capital Notes at any time at an amount equal to:

- (a) 101 per cent. of their principal amount, where such redemption occurs before the First Call Date; or
- (b) 100 per cent. of their principal amount, where such redemption occurs on or after the First Call Date,

together, in each case, with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

11.3.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes

11.4 Redemption upon a Withholding Tax Event or a Substantial Repurchase Event

11.4.1 If a Withholding Tax Event has occurred and is continuing, or if a Substantial Repurchase Event has occurred, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Issuing Agent, the Agent and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*), redeem all, but not some only, of the Capital Notes at any time at their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

11.4.2 Upon the expiry of such notice, the Issuer shall redeem the Capital Notes.

11.5 Redemption for Change of Control Event

11.5.1 If after the First Issue Date (i) a Change of Control occurs and (ii) within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs (a "**Change of Control Event**") the Issuer may, at the earliest on the date following the expiry of the Exercise Period, and upon giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Notes at an amount equal to 100 per cent. of their principal amount together with any Deferred Interest and any other accrued and unpaid interest up to (and including) the Redemption Date.

11.5.2 Immediately upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Notice**") to the Agent and the Noteholders in accordance with Clause 14 (*Notices*) specifying the nature of the Change of Control Event.

11.6 Cancellation of Capital Notes

All Capital Notes which are redeemed pursuant to this Clause 11 or substituted pursuant to Clause 12 (*Substitution and Variation*) and all Capital Notes purchased and elected to be cancelled pursuant to Clause 11.1 will be cancelled and may not be reissued or resold. The Issuer shall promptly inform the Noteholders in accordance with Clause 14 (*Notices*) and the Agent of any such cancellation and for so long as the Capital Notes are admitted to trading on Nasdaq Stockholm or any other Regulated Market and the rules of such exchange so require, the Issuer shall promptly inform Nasdaq Stockholm or the relevant Regulated Market of the cancellation of any Capital Notes under this Clause 11.6.

12 Substitution or Variation

12.1.1 If at any time a Tax Deductibility Event, a Rating Event, an Accounting Event or a Withholding Tax Event has occurred on or after the First Issue Date and is continuing, then the Issuer may, subject to Clause 13 (*Preconditions to Special Event Redemption, Change of Control Redemption, Substitution and Variation*) (without any requirement for the consent or approval of the Noteholders) and subject to it having delivered to the Agent immediately prior to the giving of any notice referred to herein a certificate signed by two authorised signatories of the Issuer stating that certain provisions of Clause 13 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*) have been complied with having given not less than 30 nor

more than 60 days' notice to the Issuing Agent, the Agent, and, in accordance with Clause 14 (*Notices*), the Noteholders (which notice shall be irrevocable), at any time either:

- (a) substitute all, but not some only, of the Capital Notes for Qualifying Capital Notes; or
- (b) vary the terms of the Capital Notes with the effect that they remain or become, as the case may be, Qualifying Capital Notes.

12.1.2 Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Capital Notes in accordance with this Clause 12.

12.1.3 In connection with any substitution or variation in accordance with this Clause 12, the Issuer shall comply with the rules of any stock exchange on which the Capital Notes are for the time being listed or admitted to trading.

13 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation

13.1.1 Prior to the publication of any notice of redemption pursuant to Clause 11 (*Redemption and Repurchase of the Capital Notes*) (other than redemption pursuant to Clause 11.2) or any notice of substitution or variation pursuant to Clause 12 (*Substitution or Variation*), the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer stating:

- (a) that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary (as the case may be) the Capital Notes is satisfied;
- (b) in the case of a Withholding Tax Event, that the Issuer is unable to avoid paying additional amounts by taking measures reasonably available to it; and
- (c) in the case of a substitution or variation pursuant to Clause 12 (*Substitution or Variation*), that:
 - (i) the Issuer has determined that the terms of the Qualifying Capital Notes are not materially less favourable to Noteholders than the terms of the Capital Notes and that determination was reasonably reached by the Issuer in consultation with an independent investment bank, independent financial adviser or legal counsel of international standing;
 - (ii) the criteria specified in paragraphs (a) to (h) of the definition of Qualifying Capital Notes will be satisfied by the Qualifying Capital Notes upon issue; and
 - (iii) the relevant substitution or variation (as the case may be) will not result in the occurrence of a Special Event.

13.1.2 In addition, in the case of a Tax Deductibility Event or a Withholding Tax Event, the Issuer shall deliver to the Agent and the Issuing Agent an opinion of independent legal or other tax advisers to the effect that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied (save, in the case of a Withholding Tax Event, as to whether reasonable measures to avoid paying additional amounts are available to the Issuer). Such certificate and, if applicable, opinion, shall be conclusive and binding on the Noteholders.

- 13.1.3 Any redemption of the Capital Notes in accordance with Clause 11 shall be conditional on all Deferred Interest being paid in full in accordance with the provisions of Clause 10.2 on or prior to the date of such redemption.

14 Notices

14.1 Notices

- 14.1.1 Any notice or other communication to be made under or in connection with the Terms and Conditions:

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

- 14.1.2 Any notice or other communication made by one person to another under or in connection with the Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 14.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 14.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 14.1.1.

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

15 Admission to trading etc.

15.1 Admission to trading

The Issuer has the intention and shall use its best efforts (without assuming any legal or contractual obligation) to ensure (i) that the Initial Capital Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within one hundred and eighty (180) days after the First Issue Date, ii) that any Subsequent Capital Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) days following the later of the relevant subsequent

issue date and the admission to trading of the Initial Capital Notes, and (iii) that the Capital Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Capital Notes in close connection to the redemption of the Capital Notes).

15.2 The Agency Agreement

15.2.1 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

16 Default and enforcement

16.1 Proceedings

16.1.1 Without prejudice to the Issuer's right to defer the payment of interest under Clause 10 (*Optional Interest Deferral*), if a default is made by the Issuer for a period of 30 days or more in relation to the payment of any interest, principal or premium in respect of the Capital Notes which is due and payable, then the Issuer shall be deemed to be in default under the Capital Notes and the Agent (acting on instructions of the Noteholders in accordance with these Terms and Conditions) or any Noteholder (subject to Clause 23.2) may institute proceedings for an Issuer Winding-up provided that the Default Event is still continuing.

16.1.2 In the event of an Issuer Winding-up, a Noteholder may, provided such Noteholder does not contravene a previously adopted resolution in accordance with Clause 17.7 (if any), either independently or through the Agent prove and/or claim in such Issuer Winding-up in respect of the Capital Notes, such claim being for such amount, and being subordinated in such manner, as is provided under Clause 4 (*Subordination and rights on a winding-up and re-construction*).

16.2 Enforcement

The Agent (acting on the instructions of the Noteholders in accordance with these Terms and Conditions) may institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Capital Notes but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

16.3 Extent of Noteholders' Remedy

No remedy against the Issuer, other than as referred to in this Clause 16, shall be available to the Agent and the Noteholders, whether for the recovery of amounts owing in respect of the Capital Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Capital Notes.

17 Decisions by Noteholders

- 17.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Terms and Conditions shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Terms and Conditions shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 17.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead.
- 17.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 18.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 19.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice or the communication.
- 17.6 Only a person who is registered as a Noteholder, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a person who is registered as a Noteholder at the following times:
- (a) on the Business Day specified in the notice pursuant to Clause 18.2, in respect of a Noteholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 19.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Capital Notes are included in the definition of Adjusted Nominal Amount.

17.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:

- (a) the issue of any Subsequent Capital Notes, if the Total Nominal Amount of the Capital Notes exceeds, or if such issue would cause the Total Nominal Amount of the Capital Notes to at any time exceed, SEK 750,000,000 or after the date falling three (3) months after the First Issue Date (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Capital Notes are issued);
- (b) a change to the terms of any of Clause 2.1 and Clauses 2.5 – 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 17;
- (e) a change of Issuer or any delay of the due date for payment of any interest on the Capital Notes other than as permitted pursuant to Clause 10;
- (f) a mandatory exchange of the Capital Notes for other securities (other than as expressly permitted under these Terms and Conditions); and
- (g) early redemption of the Capital Notes, other than as otherwise permitted or required by these Terms and Conditions.

17.8 Any matter not covered by Clause 17.7, including for the avoidance of doubt the initiation of an Issuer Winding-up, shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of the Terms and Conditions that does not require a higher majority.

17.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

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

- 17.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal has not been withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 17.10, the date of request of the second Noteholders' Meeting pursuant to Clause 18.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 17.11 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 Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.12 A Noteholder holding more than one Capital Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 17.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.16 If a decision shall be taken by the Noteholders on a matter relating to the Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Capital Notes owned by Group Companies or (to the knowledge of the Issuer) affiliates, irrespective of whether such person is directly registered as owner of such Capital Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Capital Note is owned by a Group Company or an affiliate.
- 17.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders'

Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

18 Noteholders' Meeting

- 18.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 18.2 The notice pursuant to Clause 18.1 shall include the (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) Business Day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 18.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

19 Written Procedure

- 19.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 19.2 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Noteholders, (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 Noteholder 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 Noteholder must reply to the request (such time period to last at least ten (10) Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 19.3 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.7 and 17.8 have been received in a Written Procedure, the relevant decision

shall be deemed to be adopted pursuant to Clause 17.7 and 17.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20 Amendments and Waivers

20.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, in addition to Clause 12 (*Substitution or Variation*) agree to amend the Terms and Conditions or waive any provision in the Terms and Conditions, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*).

20.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Terms and Conditions. It is sufficient if such consent approves the substance of the amendment.

20.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective. Any amendments to the Terms and Conditions shall be published on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

20.4 An amendment to the Terms and Conditions shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

21 Replacement of Base Rate

21.1 General

21.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of this Clause 21 shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

21.1.2 If a Base Rate Event has occurred, this Clause 21 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

21.2 Definitions

In this Clause 21:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof determined in accordance with Clause 21.3.3, to be applied to a Successor Base Rate or an Alternative

Base Rate, the objective of which, in each case, shall be to reduce or eliminate, to the fullest extent reasonably practicable, any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

“**Alternative Base Rate**” means the reference rate that has replaced the Base Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of Capital Notes denominated in Swedish kronor or, if there is no such rate, such other rate as the Independent Adviser determines is most comparable to the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 21.3.5.

“**Base Rate Event**” means that:

- (a) the Base Rate has (i) been permanently or indefinitely discontinued, (ii) ceased to exist or (iii) ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate ceasing to be calculated or administered;
- (b) the Base Rate Administrator ceases to publish the applicable Base Rate permanently or indefinitely and, at that time, no successor administrator has been appointed to continue to publish the Base Rate;
- (c) the supervisor of the Base Rate Administrator (i) has made a public statement stating that the Base Rate is no longer representative of the underlying market or (ii) is recommending the usage of a Successor Base Rate for the applicable Base Rate;
- (d) the Base Rate Administrator or its supervisor announces that (i) the Base Rate methodology has changed materially after the First Issue Date or (ii) the Base Rate may no longer be used, either generally or in respect of the Capital Notes; or
- (e) it has become unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate.

“**Base Rate Event Announcement**” means a public statement by the Base Rate Administrator or the supervisor of the Base Rate Administrator that any event or circumstance specified in paragraphs (a) to (e) of the definition of Base Rate Event will occur.

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

“**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee of any of them or the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means a screen or benchmark rate which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body.

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

- 21.3.1 Without prejudice to Clause 21.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate or an Alternative Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to determine a Successor Base Rate or, if there is no Successor Base Rate, an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 21.3.2.
- 21.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 21.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 21.3.2, the Noteholders shall, if so decided at a Noteholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 21.3.2.
- 21.3.4 The Adjustment Spread determined by the Independent Adviser in accordance with Clause 21.3.1 or 21.3.2, shall be the Adjustment Spread which:
- a) is formally recommended in relation to the replacement of the Base Rate by any Relevant Nominating Body; or
 - b) if paragraph a) above does not apply, the Independent Adviser determines is customarily applied to the relevant Successor Base Rate or Alternative Base Rate (as applicable), in comparable debt capital markets transactions.
- 21.3.5 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or an Alternative Base Rate or to reflect the adoption of such Successor Base Rate or Alternative Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 21.3.6 Provided that a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period.

21.4 Interim measures

21.4.1 If a Base Rate Event has occurred but no Successor Base Rate or Alternative Base Rate and Adjustment Spread have been determined at least ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:

- a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

21.4.2 For the avoidance of doubt, Clause 21.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 21.

21.5 Notices etc.

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Alternative Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Noteholders in accordance with Clause 14 (*Notices*) and the CSD.

21.6 Variation upon replacement of Base Rate

21.6.1 No later than giving the Agent notice pursuant to Clause 21.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer confirming the relevant Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 21. The Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.

21.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 21.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to these Terms and Conditions as may be required by the Issuer in order to give effect to this Clause 21.

21.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 21. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the

protective provisions afforded to the Agent or the Issuing Agent in these Terms and Conditions.

21.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 21.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

21.8 Failure to comply

Failure by the Issuer to comply with the provisions of this Clause 21 shall, for the avoidance of doubt, not constitute a default pursuant to Clause 16 (*Default and Enforcement*) by the Issuer under the Capital Notes or for any other purpose.

22 Appointment and Replacement of the Agent

22.1 Appointment of Agent

- 22.1.1 By subscribing for Capital Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Capital Notes and the Terms and Conditions, 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 Capital Notes held by such Noteholder. By acquiring Capital Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 22.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 22.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Terms and Conditions.
- 22.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Terms and Conditions and the Agency Agreement and the Agent's obligations as Agent under the Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 22.1.5 The Agent may act as agent or trustee for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 Duties of the Agent

- 22.2.1 The Agent shall represent the Noteholders in accordance with the Terms and Conditions. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Terms and Conditions.
- 22.2.2 When acting in accordance with the Terms and Conditions, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Terms and Conditions.
- 22.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Terms and Conditions, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Terms and Conditions.
- 22.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a Default Event or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to a Default Event or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders hereunder.
- 22.2.6 Notwithstanding any other provision of the Terms and Conditions 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.
- 22.2.7 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer or the Noteholders (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.
- 22.2.8 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.7.
- 22.2.9 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Noteholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person.
- 22.2.10 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 Terms and Conditions unless to the extent

expressly set out in the Terms and Conditions, or to take any steps to ascertain whether any Default Event has occurred.

- 22.2.11 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.

22.3 Limited liability for the Agent

- 22.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with the Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.

- 22.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

- 22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Terms and Conditions to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- 22.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 17 (*Decisions by Noteholders*) or a demand by Noteholders given in accordance with the Terms and Conditions.

- 22.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Terms and Conditions.

- 22.3.6 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.

22.4 Replacement of the Agent

- 22.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 22.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 22.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 22.4.4 If the Noteholders 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 Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Terms and Conditions.
- 22.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 22.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Terms and Conditions but shall remain entitled to the benefit of the Terms and Conditions and remain liable under the Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Terms and Conditions as they would have had if such successor had been the original Agent.
- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, 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 Terms and Conditions and the Agency Agreement. 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.

23 Appointment and Replacement of the Issuing Agent

- 23.1 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 Capital Notes.
- 23.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer and the Agent 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 and the Agent

shall jointly immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as in accordance with these Terms and Conditions.

24 No Direct Actions by Noteholders

- 24.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Terms and Conditions (save for in accordance with Clause 16 (*Default and enforcement*)). A Noteholder may not 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 Terms and Conditions. Such steps may only be taken by the Agent in accordance with these Terms and Conditions.
- 24.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Terms and Conditions or the Agency Agreement or by any reason described in Clause 21.2.7, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.8 before a Noteholder may take any action referred to in Clause 23.1.

25 Prescription

- 25.1 The right to receive repayment of the principal of the Capital Notes shall be prescribed and become void ten (10) years from the relevant 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 Noteholders' right to receive payment has been prescribed and has become void.
- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Capital Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

26 Taxation

All payments of principal, premium and interest (including Deferred Interest) in respect of the Capital Notes will be made without withholding or deduction for, or on account of, any present or future taxes or duties ("**Taxes**") of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law.

In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal, premium and interest (including Deferred Interest) which would otherwise have been receivable in respect of the Capital Notes, as the case may be, in the absence of such withholding or deduction.

27 Press releases

- 27.1.1 Any notice that the Issuer or the Agent shall send to the Noteholders shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 27.1.2 In addition to Clause 26.1.1, if any information relating to the Capital Notes or the Issuer contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

28 Force Majeure and Limitation of Liability

- 28.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade 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.
- 28.2 The Issuing Agent shall not have any liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall not be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 28.3 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.
- 28.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

29 Governing Law and Jurisdiction

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

Schedule 1
Conditions Precedent for Settlement

1 Documents

- a) A copy of the constitutional documents of Issuer;
- b) A copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the transactions contemplated by, the Terms and Conditions and resolving that it execute, deliver and perform its obligations under the Terms and Conditions and all related documents to which it is or will become a party;
- c) a copy of the executed Agency Agreement; and
- d) a copy of the executed Terms and Conditions.

Definitions

Agent	means Nordic Trustee & Agency AB (publ), a public company with Reg. No. 556882-1879.
Euroclear	means Euroclear Sweden AB, a limited liability company with Reg. No. 556112-8074.
Group	means Ilija Batljan Invest AB and its subsidiaries, from time to time.
Issuing Agent	Nordea Bank Abp, filial i Sverige, Reg. No. 516411-1683.
Nasdaq Stockholm	means the Regulated Market of Nasdaq Stockholm AB, Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden.
Noteholder	means the person who is registered on a Securities Account as direct registered owner (<i>Sw. ägare</i>) or nominee (<i>Sw. förvaltare</i>) with respect to a Note
Capital Notes	means the subordinated perpetual floating rate callable capital notes with ISIN SE0016101638.
Prospectus	means this prospectus, including any documents incorporated by reference.
The Issuer or the Company	means Ilija Batljan Invest AB, a public limited liability company with Reg. No. 559053-5166.
Swedish Companies Act	means the Swedish Companies Act (<i>Sw. aktiebolagslagen (2005:551)</i>).
Terms and Conditions	means the terms and conditions for the Capital Notes.

Addresses

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