



Bayport Management Ltd

PROSPECTUS REGARDING THE LISTING OF

MAXIMUM USD 400,000,000

SENIOR UNSECURED CALLABLE FIXED RATE SOCIAL BONDS

2019/2022

ISIN: NO0010856180

28 June 2019

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Bayport Management Ltd (the “**Company**”), registration number 54787/C1 GBL, in relation to the application for listing on Nasdaq Stockholm Sustainable Bond List (“**Nasdaq Stockholm**”) of bonds issued under the Company’s maximum USD 400,000,000 senior unsecured callable fixed rate social bonds 2019/2022 with ISIN NO0010856180 (the “**Bonds**”), of which USD 260,000,000 was issued on 14 June 2019 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Initial Bond Issue**”). Concepts and terms defined in the Terms and Condition are used with the same meaning in this Prospectus unless otherwise is explicitly understood from the context. Provided that the Equity Claw Back has not been exercised, the Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals USD 400,000,000. Subsequent Bonds may, for the avoidance of doubt, be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority. References to “**Bayport**” or the “**Group**” refer in this Prospectus to the Company and its subsidiaries from time to time, unless otherwise indicated by the context. References to “**USD**” refer to United States dollars.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

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

The Prospectus is available at the Swedish Financial Supervisory Authority’s web page (www.fi.se) and the Company’s web page (www.bayportfinance.com), and paper copies may be obtained from the Company.

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

This Prospectus 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 Group. 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 Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts 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 Group’s operations. Such factors of a significant nature are mentioned in section 2 “*Risk factors*”.

This Prospectus shall be read together with all documents that are incorporated by reference (see section 10 “*Documents incorporated by reference*”) and possible supplements to this Prospectus.

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

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

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1 Summary

This summary is made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A–E (A.1–E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings

A.1	Introduction and warnings	<p>This summary should be read as introduction to the Prospectus.</p> <p>Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. Please note that this is not an offer to acquire Bonds. In case a claim relating to the information in this Prospectus is submitted to a court, the claimant may, under national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before such legal proceeding is initiated. Only persons who have presented the summary, including any translation thereof, can be subject of civil liability, and only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Financial intermediaries	Not applicable; financial intermediaries are not entitled to use the Prospectus for subsequent trading or final placement of securities.

Section B – Issuer

B.1	Legal and commercial name	The registered name and trade name of the Company is Bayport Management Ltd.
B.2	Legal context	The Company was incorporated on 10 September 2001 in British Virgin Islands and continued as a Mauritian company with effect from 4 March 2005. The Company was registered as a private company limited by shares on 2 March 2005 under the Mauritian Companies Act 2001 with registration number 54787 C1/GBL. On 28 July 2011 the Company converted into a public limited liability company. The Company has its registered office in Ebene, Mauritius.
B.4b	Tendencies	As per the date of this Prospectus, the Company is not aware of any tendencies that, directly or indirectly, has materially affected or materially would affect the Company’s operations during the current financial year.
B.5	Group	Bayport Management Ltd is the parent company in the Group, consisting of direct and indirect subsidiaries located in the Republics of Botswana, Colombia, Ghana, Mauritius, Mozambique, South Africa, Tanzania, Uganda, Mexico, Bermuda, Namibia, Zambia as well as in the United Kingdom and the United States.
B.9	Financial forecast	Not applicable; the Prospectus does not include any financial forecast or calculation of expected profit.
B.10	Auditor’s remarks	Not applicable; there are no audit remarks.

B.12	Financial summary	<i>Income statements – Group</i>				
		Consolidated Income Statement (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
		Interest and other similar income	272,521,532	325,723,855	80,750,545	82,993,750
		Interest and other similar expense	(116,063,041)	(119,684,372)	(27,188,793)	(33,982,733)
		Net interest income	156,458,491	206,039,483	53,561,752	49,011,017
		Commission income	5,623,289	4,216,240	1,061,801	1,128,300
		Dividend income	8,119,427	17,573,053	2,187,512	14,983,914
		Other income	8,325,093	8,998,178	2,051,761	4,437,703
		Net non-interest Income	22,067,809	30,787,471	5,301,074	20,549,917
		Operating income	178,526,300	236,826,954	58,862,826	69,560,934
		Operating expenses	(122,901,181)	(147,522,027)	(33,839,114)	(36,694,792)
		Foreign exchange losses	(35,475,732)	(3,116,538)	234,054	330,780
		Operating profit before impairment on financial assets	20,149,387	86,188,389	25,257,766	33,196,922
		Impairment on financial assets	(20,192,274)	(18,237,385)	(6,972,277)	(5,778,414)
		Operating profit/(loss)	(42,887)	67,951,004	18,445,393	27,418,508
		Share of post-tax results of associates	1,362,862	3,416,719	1,063,719	2,042,838
		Profit before taxation	1,319,975	71,367,723	19,509,112	29,461,346
		Taxation	(16,479,145)	(26,406,049)	(7,468,807)	(5,978,767)
		Profit/(loss) for the year from continuing operations/for the period	(15,159,170)	44,961,674	12,040,305	23,482,579
		Discounted operations				
		Loss from discounted operations	(29,170,201)	-	-	-
		Profit/(loss) for the year	(44,329,371)	44,961,674	-	-
		Attributable to:				
		Owners of the company	(48,139,229)	38,193,634	9,970,223	22,362,686
		Non-controlling interests	3,809,858	6,768,040	2,070,082	1,119,893
		Profit/(loss) for the year/for the period	(44,329,371)	44,961,674	12,040,305	23,482,579
		Earnings/loss per share:				
		From continuing and discontinued operations				
		Basic earnings/(loss) per share	(1.55)	1.12	0.29	0.65
		Diluted earnings/(loss) per share	(1.54)	1.10	0.29	0.64
		From continuing operations				
		Basic earnings/(loss) per share	(0.61)	1.12	0.29	0.65
		Diluted earnings/(loss) per share	(0.61)	1.10	0.29	0.64
		Balance sheets – Group				
		Consolidated Balance Sheet (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
		Assets				
		Cash and bank balances	54,327,605	68,412,034	66,723,529	52,325,411
		Other receivables	14,773,383	15,888,584	-	20,800,102
		Current tax assets	11,641,186	14,126,350	12,154,456	14,145,622
		Other financial assets	3,200,923	21,706,180	-	25,127,506
		Loans and advances	713,550,384	870,702,219	831,361,127	912,838,450
		Other investments	32,256,348	34,818,013	-	20,326,106
		Investments in associates	134,179,442	116,034,222	139,844,424	116,647,468
		Goodwill	4,664,824	4,581,465	4,984,986	4,578,058
		Property and equipment	12,342,144	12,589,846	12,748,177	12,003,589
		Right-of-use assets	-	-	-	10,056,393
		Intangible assets	24,055,224	34,898,285	25,807,857	50,208,057
		Deferred tax assets	32,604,097	32,081,917	31,091,086	31,572,581
		Total assets	1,037,595,560	1,225,839,115	1,142,410,339	1,270,629,343
		Liabilities				

Bank overdrafts	5,286,878	52,331,627	21,521,583	53,482,909
Deposits from customers	55,149,478	73,727,911	71,184,224	71,781,847
Other payables	42,641,144	57,754,751	41,182,112	51,303,205
Provisions	-	2,822,832	-	-
Current tax liabilities	5,755,493	6,327,565	8,484,169	6,869,627
Other financial liabilities	2,836,325	21,701,805	4,200,754	29,193,440
Finance lease obligation	115,649	47,166	71,254	9,654,214
Borrowings	668,334,309	780,694,896	707,682,453	813,610,201
Deferred tax liabilities	49,157	32,642	51,004	33,357
Total Liabilities	780,168,433	995,441,195	854,377,553	1,035,928,800
Equity				
Share capital and treasury shares	363,659,610	373,557,114	363,659,610	373,557,114
Reserves	(153,130,732)	(204,397,871)	(133,884,678)	(225,668,194)
Retained earnings	33,891,828	46,657,871	42,749,106	71,454,837
Equity attributable to equity holders of the company	244,420,706	215,817,114	272,524,038	219,343,757
Non-controlling interests	13,006,421	14,580,806	15,508,748	15,356,786
Total Equity	257,427,127	230,397,920	288,032,786	234,700,543
Total Liabilities and Equity	1,037,595,560	1,225,839,115	1,142,410,339	1,270,629,343

Cash flow statements – Group

Consolidated Cash Flow Statement (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
Cash flows from operating activities from continuing operations				
Cash used in continuing operations	(28,401,226)	(6,598,445)	(315,973)	(15,864,687)
Dividend received	8,119,427	19,749,683	3,376,824	15,238,914
Finance costs paid	(118,491,214)	(115,757,882)	(33,444,741)	(40,502,947)
Tax paid	(22,776,946)	(29,874,188)	(4,663,657)	(4,880,978)
Net cash used in operating activities	(161,549,959)	(132,480,832)	(35,047,547)	(46,009,698)
Cash flows from investing activities				
Purchase of property, equipment and intangible assets	(15,823,347)	(19,435,890)	(3,198,035)	(16,800,671)
Proceeds on disposal of property, equipment and intangible assets	149,505	111,569	13,342	30,229
Net increase / (decrease) in amount due to related parties	(10,149,216)	1,257,780	-	2,457,456
Net cash outflow on buy back of shares from minority shareholders	1,750,227	-	-	-
Net cash flows from disposal of subsidiary	71,153,947	-	-	-
Total cash paid on acquisition of associates	(1,912,255)	-	-	(109,650)
Net movement in other investments	-	(115,117)	-	-
Proceeds from issue of shares to non-controlling interests	1,793,772	-	-	-
Net cash flows (used in) / generated by investing activities from continuing operations	43,462,179	(18,181,658)	(3,184,693)	(14,442,636)
Cash flows from financing activities				
Proceeds from issue of convertible equity instrument	60,560,000	-	-	-
Proceeds from issue of bonds	(127,510,645)	41,693,805	-	419,323
Repayment of bonds	-	(24,147,486)	-	-
Net increase in other borrowings	125,579,531	131,416,139	33,296,860	47,959,947
Repayment of finance lease obligation	-	(67,005)	-	-
Mark-to-Market payments on forward contracts	-	(22,272,430)	-	(5,000,186)
Payment on unwinding of forward contracts	(8,619,471)	-	-	-
Net cash outflow on buy back of shares	(900,723)	-	-	-
Net cash flows generated by financing activities from continuing operations	49,108,692	126,623,023	33,296,860	43,379,084
Net cash flows (used in) / generated discontinued operations	(15,645,505)	-	-	-

		<p>Net increase / (decrease) in cash and cash equivalents</p> <table border="1"> <tbody> <tr> <td></td> <td>(84,624,593)</td> <td>(24,039,467)</td> <td>(4,935,380)</td> <td>(17,053,250)</td> </tr> <tr> <td>Cash and cash equivalents at the beginning of the year/period</td> <td>136,266,040</td> <td>45,740,727</td> <td>49,040,727</td> <td>16,080,407</td> </tr> <tr> <td>Effect of foreign exchange rate changes</td> <td>(2,600,720)</td> <td>(5,620,853)</td> <td>1,096,599</td> <td>(184,655)</td> </tr> <tr> <td>Net cash and cash equivalents at the end of the year/period</td> <td>49,040,727</td> <td>16,080,407</td> <td>45,201,946</td> <td>(1,157,498)</td> </tr> </tbody> </table> <p>The selected historical financial information presented above regarding financial years 2017 and 2018 is derived from the Company's consolidated annual reports for years 2017 and 2018, which have been prepared in accordance with IFRS and audited by the Company's auditor. The selected historical financial information above regarding Q1 2018 and Q1 2019 is derived from the Company's unaudited condensed consolidated financial statements for 1 January 2018 – 31 March 2018 and 1 January 2019 – 31 March 2019, which have been prepared in accordance with IFRS and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.</p> <p>There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which financial information has been published other than the issuance of the Bonds and that the Company will redeem its outstanding bond loans with ISIN SE0009723075 and ISIN SE0006451712 on 5 July 2019.</p> <p>Sugaree Insurance Company Limited entered into a novation agreement with Guardrisk International Limited in February 2019 for the transfer of all rights. Obligations, duties and liabilities relating to the Colombian portion of the Company's cell for a consideration of USD 13,591,970. This has no effect on the net asset value of the Company.</p> <p>On 26 June 2019, the Company published a press release stating that the Company along with its shareholders are evaluating various strategic options with respect to the Company, which may include an initial public offering and that at this point in time, no decisions have been taken as to whether the Company or its shareholders will proceed with any such transaction.</p>		(84,624,593)	(24,039,467)	(4,935,380)	(17,053,250)	Cash and cash equivalents at the beginning of the year/period	136,266,040	45,740,727	49,040,727	16,080,407	Effect of foreign exchange rate changes	(2,600,720)	(5,620,853)	1,096,599	(184,655)	Net cash and cash equivalents at the end of the year/period	49,040,727	16,080,407	45,201,946	(1,157,498)	
	(84,624,593)	(24,039,467)	(4,935,380)	(17,053,250)																			
Cash and cash equivalents at the beginning of the year/period	136,266,040	45,740,727	49,040,727	16,080,407																			
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Net cash and cash equivalents at the end of the year/period	49,040,727	16,080,407	45,201,946	(1,157,498)																			
B.13	Recent financial events	Other than the issuance of the Bonds on 14 June 2019 and the redemption of the outstanding bond loans with ISIN SE0009723075 and ISIN SE0006451712 on 5 July 2019, there have been no recent events particular to the Company which are to a material extent relevant to the evaluation of its solvency.																					
B.14	Dependency on subsidiaries	The Company is dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds.																					
B.15	Main operations	Bayport is a provider of credit solutions augmented with transactional banking and insurance products primarily to individuals in emerging and frontier markets.																					
B.16	Main shareholders	<p>At the date of this Prospectus, the five largest shareholders in the Company are the following: Kinnevik New Ventures holding 7,428,902 shares, Public Investment Corporation (SOC) Limited holding 6,377,550 shares, Takwa Holdco Limited holding 5,621,135 shares, Elsworth Holding Ltd holding 3,672,000 shares and Grant Colin Kurland holding 2,863,057 shares.</p> <p>The major shareholders of the Company are parties to a shareholders' agreement in respect of the Company which was entered into on 10 June 2015 and amended on 7 August 2018 (by way of an addendum agreement). This shareholders' agreement governs the on-going management and affairs of the Company, including, <i>e.g.</i>, the formation and procedures of the board of directors, appointment of the board of directors, shareholders' meetings, financing, exits and transfers of shares. Except for the shareholders' agreement and Group's award agreements, and as far as the Company is aware, no other shareholders' agreements or other agreements exist between the present shareholders of the Company for the purpose of creating joint influence over the Company or changing the control of the Company.</p>																					
B.17	Credit rating	Not applicable; the Bonds have not been assigned an official credit rating by any credit rating agency.																					
Section C – Bonds																							
C.1	Securities being offered and/or admitted to trading	Debt instruments intended for public trading under terms of the Terms and Conditions with ISIN NO0010856180, each with a nominal amount of USD 100,000.																					
C.2	Denomination	The Bonds are denominated in USD.																					
C.5	Limitations to the free transferability	Not applicable; The Bonds are freely transferable, but the bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a bondholder may be subject.																					
C.8	Rights pertaining to the Bonds	Interest and repayment: Bondholders are entitled to receive Interest on the Bonds on each Interest Payment Date and repayment of the Nominal Amount together with accrued but unpaid Interest on the Final Redemption Date.																					

		<p>Bondholders' meetings: Bondholders representing at least ten (10) per cent. of the Adjusted Nominal Amount are entitled to request a decision of the bondholders. Such decisions are rendered by way of a Holders' Meeting or a Written Procedure, as decided by the Agent. Valid decisions require the consent of bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which bondholders are voting, and in respect of certain matters a qualified majority of at least three quarters (3/4) of the Adjusted Nominal Amount for which bondholders are voting is required. Quorum exists if the bondholders present represent at least twenty (20) per cent. of the Adjusted Nominal Amount and at least fifty (50.00) per cent. for matters requiring a qualified majority.</p> <p>Status: The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.</p> <p>No action: No bondholder may take any individual action against the Issuer in matters relating to the Bonds or the Terms and Conditions.</p> <p>Prescription: The right to receive repayment of the Nominal Amount shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest shall be time-barred and become void three (3) years from the relevant due date for payment.</p>	
C.9	Summary of the Bonds relating to interest, amortisation, final redemption date etc.	<p>Interest payments: The Bonds bear Interest from, and including, the Issue Date up to but excluding the relevant Redemption Date. Any Subsequent Bond will carry Interest from, and including, the Interest Payment Date falling immediately prior to their issuance up to but excluding the relevant Redemption Date. The Interest Rate is a fixed rate of 11.50 per cent. <i>per annum</i>, payable semi-annually in arrears on 14 June and 14 December each year or, to the extent such day is not a Business Day, the first following day that is a Business Day. The last interest payment is due on the Final Redemption Date. Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of incomplete months, the actual number of days elapsed (30/360-days basis).</p> <p>Final redemption: The Final Redemption Date is 14 June 2022 at which date the Issuer shall redeem all outstanding Bonds at the Nominal Amount together with accrued but unpaid Interest.</p> <p>Early redemption (call option): The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest. The Issuer shall give at least fifteen (15) Business Days' notice of such redemption.</p> <p>Mandatory repurchase (put option): Upon a Change of Control Event occurring, each bondholder has, during a period of thirty (30) days, the right to request that all, or only some, of its Bonds are repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.</p> <p>Equity Claw Back (amortisation): In connection with an Equity Listing Event, the Issuer may at one occasion redeem up to thirty-five (35) per cent. of the aggregate Nominal Amount of Bonds <i>pro rata</i>. The partial redemption shall be made to a premium.</p> <p>Agent: Nordic Trustee & Agency AB (publ) is acting as agent for the bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.</p>	
C.10	Information on the use of derivatives as determination of interest	Not applicable; the calculation of the interest of the Bonds does not depend on derivative instruments.	
C.11	Regulated market	The Issuer intends to list the Bonds on Nasdaq Stockholm (Nasdaq Stockholm Sustainable Bond List).	

Section D – Risk factors

D.2	Risks relating to the Issuer	<p><i>The operations of the Group and the sectors in which it operates are subject to a number of risks that are completely or partly outside the Company's control and which could materially adversely impact the Company's business, financial condition and results of operations and prospects. The risk factors described below are a summary of the main risk factors that the Company considers to be key risks to its business, financial conditions and results of operations.</i></p> <p>Political risks: <i>There is a risk that an increased political instability in any country where the Group operates will have a material adverse effect on the Group's business, financial position and results of operations or even require the Group to change or discontinue existing products, services, businesses or business models in the affected region.</i></p> <p>Macro-economic risks: <i>There is a risk that deteriorating general market conditions leads to reduced inclination and capability of the Group's existing and potential customers to assume indebtedness or make deposits and that weak global or regional economic trends will result in the Group growing and developing at a lower rate than expected and that such development will have a negative effect on the Group's business, financial position and results of operations.</i></p> <p>Loss of a deduction code: <i>The Group's ability to collect directly from the payroll of its customers in order to service the outstanding loans is facilitated through deduction codes. Without the Company's possibility to collect directly from the borrower's payroll there is a risk that the company would need to re-price the loan offerings and that the number of non-performing loans on new loans would increase. The loss of a deduction code could therefore have a material adverse effect on the Company's business, financial position and results of operations.</i></p> <p>New markets and business areas: <i>If the Company is unable to maintain growth at the same rate as in the past and if the Group's investments in new business areas, marketing channels, geographical markets, products and services or additions to existing products and services do not prove profitable, there is a risk that this will have a material adverse effect on the Group's business, financial position and results of operations.</i></p> <p>Risk management: <i>The Group is exposed to various types of risks. Failure to properly manage such risks could have a material adverse effect on the Group's business, financial position and results of operations.</i></p> <p>Employees, organizational risks and operational risks: <i>There is a risk that inability in recruiting and keeping skilled employees and senior executives will adversely affect the Group's operations and possibilities for continuing growth</i></p>	
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and profitability. There is also a risk of fraud and other improper actions by employees, which could have a considerable adverse impact on e.g. earnings and reputation of the Group, customers' confidence and the ability to gain new commissions. Moreover, if the Group's procedures and internal controls prove to be insufficient, there is a risk that the Group's management loses control over corporate governance, which would adversely affect the Group's business, financial position and results of operations.

IT-system and technology: Extensive downtime of network servers, attacks by IT viruses or other disruptions or failure of information technology systems could damage the operations and cause financial losses and liability in relation to customers as well as harm the reputation and market trust in the Group.

Trust, reputation and fraud: There is a risk that any damage to the reputation or reduced trust for the Company, any of its subsidiaries or their brands or products will have an adverse effect on the Group's future growth and development, on the Group's business, financial position and results of operations and on the Group's ability to obtain or retain necessary concessions, licenses, permits and other decisions.

Risks related to the processing of personal data: There is a risk that the Group's routines and systems for processing personal data are or become insufficient, which in turn could adversely affect the Group's business, reputation, financial position or results of operations. There is also a risk that the Group will need to limit or amend its marketing activities and internal decision making and change its current routines and systems, due to amended legislation or otherwise, which would have an adverse effect on the Group's business, earnings and financial position.

The Company is a holding company: The Company is dependent upon receipt of sufficient income related to the operations in its subsidiaries, the lack of which could have a material adverse effect on the Company's business, financial position and results of operations as well as its ability to meet financial obligations.

Different legal systems and legal proceedings: Due to the international reach of the Group's business activities, the Group is exposed to a variety of different rules and regulations. Any changes thereto could have a significant adverse effect on the Group's business activities or result in increased costs for the Group in order to comply with such amended or new requirements. There is also a risk that the Company or its subsidiaries will not be able to enforce their rights under agreements governed by the laws of other jurisdictions or entered into with foreign domiciled third parties, which could adversely affect the Group's business, financial position and results of operations.

Loss of licenses, permits and permissions: There is a risk that any license, permit or permission required for the Group's operations is not renewed or is revoked, which would have a material adverse effect on the Group's business, financial position or results of operations.

Exposure to legislative and regulatory changes: There is a risk that amendments to or adoption of new legislation or regulatory measures relating to, inter alia, banking, insurance, credit and savings, acquisition and tax laws or new case law will have negative consequences for the Group and that supervision from authorities will lead to penal charges or ultimately that licenses or concessions will be withdrawn. Moreover, some of the Company's subsidiaries are required to at all times satisfy relevant capital adequacy requirements and insufficient own funds may lead to decisions by the relevant authority which could have a negative impact on the Group's business.

Risk related to violation of consumer protection legislation: There is a risk that the Group is deemed to violate applicable consumer protection rules, resulting in relevant competent authorities to e.g. bring legal action against the Group, issue fines, order the Group to modify or cease certain activities, or request that it changes its credit lending and credit assessment processes, which could have an adverse impact on the Group's reputation and on its ability to market to customers and lead to additional marketing and compliance related costs, and in turn have a material adverse effect on the Group business, financial position or results of operations.

Risk related to money laundering and financing of terrorism: Insufficient measures against money laundering and financing of terrorism or violation of trade sanctions could have a material adverse effect on the Group business, financial position or results of operations.

Risks related to taxes: There is a risk that the Group's interpretation of applicable laws, tax treaties, regulations, or administrative practice is incorrect, or that such rules are changed, possibly with retroactive effect, impairing the tax position of the Group and/or resulting in significant fines or additional taxes and thereby having a material adverse effect on the Group business, financial position or results of operations.

Changed accounting rules: There is a risk that the Group's accounting, financial reporting and internal control, as well as the Terms and Conditions, will be adversely affected by, and will need to be adapted in accordance with, changed accounting standards or a changed application of such accounting standards. New standards expose the Group to uncertainty and threatens to adversely affect the Group's accounted earnings, balance sheet and equity, and thereby have a material adverse effect on the Group's business, financial positions and results of operations.

Credit risks and risks relating to counterparties: There is a risk that losses incurred by the Group due to failure by its counterparties to fulfil their obligations towards the Group will have a material adverse effect on the Group's business, financial position and result of operations.

Disputes and legal proceedings: There is a risk that claims against the Group or the Group's active involvement in any legal proceedings against a third party will result in the Group being forced to spend considerable sums and resources and that this will have an adverse effect on the Group's business, financial position and result of operations.

Competition: There is a risk that increased competition from existing and new market participants as well as deteriorated competition possibilities will have a material adverse effect on the Group's business, financial position and result of operations.

Risk related to acquisitions and investments: There is a risk that a due diligence of a new acquisition will not reveal all facts of relevance and that a new acquisition is incorrectly valued, resulting in an incorrect pricing and ultimately implying that expected values are not achieved. In addition, there is a risk that the integration of the new acquisition fails, causes an interruption or slowdown in the Company's business or causes management to devote considerable time to the integration process. Moreover, there is a risk that the Company will fail to realise any of the anticipated benefits of new acquisitions, which could have an adverse effect on the Group's business, financial position and result of operations.

Insurance cover: There is a risk that the Group's insurance cover proves to be insufficient or that an adequate insurance cover will not be available to the Group at a reasonable price in the future and this could have a material adverse effect on the Group's business, financial position and results of operations.

		<p>Liquidity and refinancing risks: If the Company's liquidity sources prove to be insufficient, there is a risk that the Company will not be able to meet its payment obligations at all or only by raising funds on terms significantly increasing its financing costs, that the Company default under material agreements and that the Group's business, financial position and result of operations is materially adversely affected.</p> <p>Interest rate risk: There is a risk that extreme fluctuations in interest rate will have a material adverse effect on Group's business, financial position and results of operations.</p> <p>Exposure to currency risks: The Group's results of operations are subject to currency exchange rate fluctuations. Since the Company's consolidated financial statements are prepared in USD, the Group also faces a currency translation risk to the extent that the assets, liabilities, revenues and expenses of the Company or its subsidiaries are denominated in currencies other than USD. Consequently, there is a risk that fluctuations in the value of the USD versus local currencies affects the amount of these items in the Group's consolidated financial statements.</p>
D.3	Risks relating to the Bonds	<p>Any investment in securities involves risks. Any such risks could result in a significant fall of the market price of the Bonds and investors losing all or part of their investment.</p> <p>Credit risks: An increased credit risk may cause the market to charge the Bonds at a higher risk premium, which would have an adverse effect on the value of the Bonds.</p> <p>Refinancing risk: Inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's business, financial position and results of operations and on the bondholders' recovery under the Bonds.</p> <p>Ability to comply with the Terms and Conditions: Events beyond the Company's control could affect the Company's ability to comply with, and could result in a default under, the Terms and Conditions.</p> <p>Interest rate risk: The market value of the Bonds could be adversely affected by changes in market interest rates.</p> <p>Liquidity risks: Lack of liquidity in the market may have a negative impact on the market value of the Bonds. There is also a risk that the Bonds will not be admitted to trading on a regulated market or that an active trading market for the Bonds will not develop or be sustained.</p> <p>The market price of the Bonds may be volatile: Changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, such as general price and volume fluctuations of the global financial markets could adversely affect the market price of the Bonds without regard to the Group's operating results, financial position or prospects.</p> <p>Currency risk: If investors measure their investment return by reference to a currency other than USD, an investment in the Bonds will entail foreign exchange-related risks implying that investors may receive less interest or principal than expected, or no interest or principal.</p> <p>Dependence on subsidiaries: Should the Company not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.</p> <p>Structural subordination and insolvency of subsidiaries: There is a risk that the Group and its assets would not be protected from actions by creditors of the Company's subsidiaries and that the insolvency of the Issuer's subsidiaries would result in an obligation of the Issuer to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material adverse effect on e.g. the bondholders' recovery under the Bonds.</p> <p>Contractual subordination and unsecured obligations: The Bonds are subordinated to all of the Company's unsecured debts. Moreover, the bondholders will only have an unsecured claim against the Company. As a result, the bondholders risk not recovering any or all of their investment.</p> <p>Risks related to early redemption: There is a risk that the market value of the Bonds will be higher than the early redemption amount and that the Company will not have sufficient funds at the time of a prepayment of the Bonds required by the bondholders (put option) which could adversely affect the bondholders' recovery under the Bonds.</p> <p>No action against the Company and bondholders' representation: Failure of all bondholders to submit the power of attorney needed for certain court actions against the Company could negatively affect the legal proceedings. Also, the actions of the agent could impact a bondholder's rights in an undesired manner.</p> <p>Bondholders' meetings: Actions of the bondholder majority could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.</p> <p>Restrictions on the transferability of the Bonds: There is a risk that a bondholder cannot sell its Bonds as desired due to legal restrictions.</p> <p>Risks relating to the clearing and settlement: If Verdipapirsentralen ASA's account-based system would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.</p> <p>Amended or new legislation: There is a risk that amended or new legislation and administrative practices adversely affects the investor's ability to receive payment under the Terms and Conditions.</p> <p>Influence of major shareholders: There is a risk that the interests of the Company's major shareholders come to conflict with the interest of the bondholders and that the shareholders affect the Company in a way that is not in the best interest of the bondholders.</p> <p>Conflicts of interest: There is a risk that conflict of interest exist or arise as a result of the managers having engaged, or will engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.</p>
Section E – Offering		
E.2b	Reasons for the offer and use of proceeds	<p>The Bonds form part of the Company's debt financing in USD in the capital markets. The proceeds from the Initial Bond Issue after deduction has been made for the costs payable by the Issuer to the Paying Agent and/or the Managers for the services provided in relation to the placement and issuance of the Bonds shall be used for (a) redemption of the Existing Bonds with ISIN SE0009723075 in full and thereafter to (b) finance general corporate purposes of the Group, including investments and acquisitions, and/or redeem the Existing Bonds with ISIN SE0006451712 in full. The</p>

		proceeds from any Subsequent Bond Issue shall be used to finance the purposes set out in (b) above. The Net Proceeds shall be used in accordance with the Social Bond Framework.	
E.3	Background and terms and conditions	Not applicable; this Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds.	
E.4	Conflicts of interest etc.	The Paying Agent and Managers have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. The Paying Agent and Managers may thus in the future have relations with the Issuer and the Group other than those arising from its role in the issuance of the Bonds. It cannot therefore be guaranteed that conflicts of interest will not arise in the future. Other than as stated above, as far as the Issuer is aware, no person involved in the issuance of the Bonds has any interest that is relevant to the Bonds and that represents a conflict of interest of any kind.	
E.7	Costs for the investor	Not applicable; this Prospectus is issued in conjunction with an admission on Nasdaq Stockholm and there is no offer to acquire Bonds.	

2 Risk factors

Investing in the Bonds involves inherent risks. The financial performance of the Group and the risks associated with the Group's business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely be affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments, are illustrated. The risks presented in this section are not exhaustive as other risks not known to the Company or risks arising in the future may also come to adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors herein are not ranked in order of importance. Potential investors should carefully consider the information contained in this Prospectus and make an independent evaluation before making an investment decision.

Company and market specific risks, etc.

Political risks

The Group operates in a number of countries where there is a risk that political instability will lead to a slowdown in levels of origination in those particular countries. These countries are subject to greater political, economic and social uncertainties than countries with more developed institutional structures and the Group is therefore subject to significant political risks. There is a risk that changes in legislation or other regulations related, for instance, to foreign ownership, state participation, taxes, allocation of licenses and concessions, customs duties, exchange rates, interest rates and fees, insurance pricing and reforms, enforcement processes, payroll deductions, deposit taking and other regulatory matters will have an adverse effect on the Group's business, financial position and results of operations. There is a risk that an increased political instability in any country where the Group operates, as well as the Company's failure to protect against such risks, will have a material adverse effect on the Group's business, financial position and results of operations or even require the Group to change or discontinue existing products, services, businesses or business models in the affected region.

Macro-economic risks

The Group operates in a large number of countries across Africa and Latin America and is thus exposed to macroeconomic risks as they arise globally but also within each respective jurisdiction where the Group operates, these range from GDP growth/stagnation to interest rates and inflation which affect the Group directly and also indirectly via its customers. The Group's operations are therefore dependent on global economic developments as well as conditions that are unique to certain countries, regions and/or industry branches. In the event of deteriorating general market conditions, there is a risk that the inclination and the capability of the Group's existing and potential customers to assume indebtedness or make deposits become reduced. For example, the Zambian government has experienced liquidity pressure during late 2018 and early 2019. As a consequence, their payment remittances to financial institutions that deduct on the payroll have been erratic but have subsequently normalized. There is a risk that a change in the macro-economic conditions in the countries of operation could lead to changed employment conditions, including but not limited to dismissals, for the Group's customers and, in turn, have a material adverse effect on the Group's operations. There is a risk that weak global or regional economic trends will result in the Group growing and developing at a lower rate than expected and that such development will have a negative effect on the Group's business, financial position and results of operations.

Loss of a deduction code

At source loans, which are loans deducted at source ("**At Source**"), are the most significant asset segment for the Group and offered in all countries in which the Group operates. The Group relies on the ability to collect directly from the payroll of its customers in order to service the outstanding loans, which is facilitated through deduction

codes. The Company is allocated a deduction code to be able to collect directly from an employee's (the borrower's) payroll. The loss of a deduction code would result in any new loans to customers needing to be collected via an alternative mechanism other than payroll. Depending on the terms of the deduction code agreement, existing loans would either continue to be collected off the payroll until such time as they have been paid off in full or directly from the client's bank account via direct debit. Without the Company's possibility to collect directly from the borrower's payroll there is a risk that the company would need to re-price the loan offerings due to the increased collection risk and that the number of non-performing loans on these new loans would increase. The loss of a deduction code could therefore have a material adverse effect on the Company's business, financial position and results of operations with regards to new business written following such an event.

New markets and business areas

In addition to providing At Source loans, the Group has expanded its business activities in some countries to also offer retail loans, being unsecured personal loans originated through agents and the Group's branches and collected via direct debt from the borrower's bank account, including other services and businesses in terms of credit, savings, transacting and insurance, including but not limited to car title loans, vehicle leasing, mortgages, secured land financing, housing loans and deposit-taking. In order to continue to expand these and other business offerings, the Group must implement certain measures, including increasing its marketing activities to include new marketing channels, entering into agreements with new partners, introducing new products and services and developing existing products and services. All of these measures may take a great deal of time to implement and result in significant costs. There is also a risk that the Group will not be able to implement any of these measures due to a lack of market or customer acceptance, development costs will exceed the amount anticipated or due to other factors, many of which are outside Company's control, and that the Company may not achieve any return on investments associated with these measures. The Company and its subsidiaries are also affected by regulatory changes and changes in market conditions. It is important that the board of directors and the management are able to plan, organise, monitor and govern the business and continually monitor market conditions. If the Company is unable to develop or implement such plans, there is a risk that the Group may not be able to generate the income, margins, profit or synergy effects necessary for the Group to be successful and counter the effects of any unfavourable economic conditions that might currently exist or arise in the future.

The Company may also be affected by delays in, or problems with the implementation of, or improvements to processes and systems. If the Company is unable to maintain growth at the same rate as in the past and if the Group's investments in new marketing channels, new geographical markets, new products and services or additions to existing products and services do not prove profitable, there is a risk that this will have a material adverse effect on the Group's business, financial position and results of operations.

Risk management

Operating within the Group's business field and offering financial products and services involves taking calculated risks. The risks related to these products and services are taken deliberately and are reflected in the prices offered to the customers. As such the Group is exposed to business risks (earnings volatility risk and strategic risk), credit risk, liquidity and refinancing risk, market risks (interest rate risk and currency risk), and operational risk. The earnings volatility risk of the Group is the risk of volumes and margins being negatively affected by conditions in the Group's business environment, thus lowering the Group's revenues. The strategic risk of the Group is the risk of losses accruing due to unsuccessful business decisions, wrongful implementations of decisions, or inability to react adequately to social changes, changes in the Group's business sector, or changes in relevant regulations. The credit risk of the Group is the risk of losses due to the Group's counterparties and customers not being able to fulfil their obligations as further described under section *Credit risks and risks relating to counterparties*. The liquidity and refinancing risk could give rise to the Group being unable to discharge its payment obligations when due as further described under section *Liquidity and refinancing risks*. The market risk is described under section *Interest rate risk and Exposure to currency risks*. Operational risks of the Group are the risk that losses due to insufficient

or inadequate internal processes, human errors, system faults, or external events (for example natural disasters, and deliveries not being fulfilled).

The failure to properly manage any such risk described above could have a material adverse effect on the Group's business, financial position and results of operations.

Employees, organizational risks and operational risks

The continuing success of the Group is largely dependent on a number of experienced employees with specialist skills. Employees important for the Group are both senior executives and other employees within the different business areas. The business operations of the Group are exacting on employees' knowledge of relevant legislation and regulations and the development of knowledge and experience is both time and cost consuming. There is a risk that a significant loss of such employees will adversely affect the Group's operations and the conditions and possibilities for continuing growth and profitability. Competition for skilled staff in the Group's different business areas is high and may increase in the future. The Group's future development and expansion will be dependent on its ability in recruiting and keeping skilled employees and senior executives.

High employee turnover means that many new employees need to be trained. Insufficient training resulting in lack of knowledge and experience among the Group's employees implies a significant risk for the Group's operations. In addition, the Group is exposed to the risk of wilful legal breach or neglect of regulations by its employees. Fraud and other improper actions by employees are not uncommon within the financial sector and have occurred also in the Group companies. There is a risk that such irregularities will have a considerably adverse impact on earnings and reputation of the Group, as well as lead to time and cost consuming legal processes and negatively affect new and existing customers' confidence and make it difficult to gain new commissions. There is always a risk that the Group's functions, systems and routines to prevent such irregularities will emerge to be insufficient and that irregularities by employees will continue to occur and have a material adverse effect on the Group's business, financial position and results of operations.

In the context of the Group's current operations, there is a risk that the Group incurs losses due to disruption, failure or other ineffectiveness of procedures, internal controls or other reporting or administrative systems used in its operations. If the Group's procedures and internal controls prove to be insufficient, there is a risk that the Group's management loses control over corporate governance and that the Group's business, financial position and results of operations are adversely affected thereby.

IT-system and technology

The Group's business areas all require functioning information and data-processing systems for sales, administration, distribution, internal control and other functions necessary for the business operations. The Company is exposed to the risk that systems fail, do not function properly or that technology strategies are not interrogated and updated. The risk of technology failure or technology not addressing business needs is a primary inherent risk especially with changes in business requiring flexible technology. Extensive downtime of network servers, attacks by IT viruses or other disruptions or failure of information technology systems could damage the operations and cause financial losses and liability in relation to customers as well as harm the reputation and market trust in the Group.

Trust, reputation and fraud

The Group's business is dependent on customers', stakeholders', finance and other suppliers' and other market players' trust in the Company and its subsidiaries. There is a risk that any damage to the reputation or reduced trust for the Company, any of its subsidiaries or their brands or products will have an adverse effect on the Group's future growth and development. Moreover, the Group's relations with the relevant countries' Financial Supervisory Authorities and other financial and regulatory authorities are of significant importance, since the Group companies' operations are, to a large extent, dependent on concessions, licenses, permits and other decisions of such authorities. There is a risk that any damage to the reputation or trust in the Group will render such

concessions, licenses, permits and other decisions more difficult, or impossible, to obtain and that the Group's business, financial position and results of operations are thereby adversely affected.

Furthermore, there is a risk that the trust in the Company and the Group is damaged due to, among other things, inadequate product and services quality, insufficient internal policies and guidelines regarding risk management, unreliable IT-systems and irregularities by employees and that Group's business, financial position and results of operations are adversely affected thereby.

There is also a risk that the Group is exposed to fraud, given the service offering by the Group. In the event the Group does not have proper fraud detection systems, skilled employees, sufficient fraud control etcetera, it could have a material adverse effect on the Group's business, financial position and results of operations.

Risks related to the processing of personal data

The Group's ability to obtain, retain, share and otherwise process customer data and other personal data is governed by data protection legislation, privacy requirements, agreements and other regulatory restrictions.

The Group's compliance with applicable data protection legislation is primarily supervised by the respective data protection authorities in the countries in which the Group operates.

There is a risk that the Group's routines and systems for processing of customer data and other personal data are insufficient and, for example, do not prevent disclosure or processing of personal data in breach of applicable legislation or relevant agreements. If the Group fails, or is deemed to have failed, to protect and process such data in compliance with applicable legislation and relevant agreements, this could result in, for example, the imposing of sanctions on the Company, criminal charges, monetary fines, reputational damages, the Group having to change relevant routines and systems, or could constitute breach of contract, which, in turn, could adversely affect the Group's business, reputation, financial position or results of operations.

There is also a risk that, for example, applicable data protection legislation is amended, which could, for example, limit the Group's access to personal data for the purposes of direct marketing and credit assessments, or its possibility to process personal data, which, in turn, could adversely affect the Group's marketing activities and internal decision making and thus have an adverse effect on the Group's business, earnings and financial position. Also, there is a risk that the Group would be required to change its current routines and systems for the processing of customer data and other personal data in order to comply with any new requirements, which may be costly and increase the Group's administrative burden, which in turn could have a material adverse effect on the Group's business, financial position or results of operations.

The Company is a holding company

The Company is a holding company and holds no significant assets other than investments in its subsidiaries. The Company is thus dependent upon receipt of sufficient income related to the operation of and the ownership in its subsidiaries. The Company is exposed to the risk that such income, or the receipt of such income, decrease, which could have a material adverse effect on the Company's business, financial position and results of operations as well as its ability to meet financial obligations.

Different legal systems and legal proceedings

Since the Group's business activities are conducted in several different countries, the Group is exposed to a variety of different laws, regulations, rules, agreements and guidelines (including, but not limited to, in relation to accounting, anti-trust, banking, insurance, credit and savings, deposits, mortgages, acquisition and tax) applicable to the Group's products and services from time to time. There is a risk that any changes thereof or any new laws or regulations coming into force in any jurisdiction will have a significant adverse effect on the Group's business activities or result in increased costs for the Group in order to comply with such amended or new requirements in multiple jurisdictions.

Further, the Company and its subsidiaries have entered into a number of agreements with customers, finance suppliers, loan sales consultants, insurance underwriters and other third parties domiciled in different countries and the agreements are governed by the laws of various jurisdictions. There is a risk that the Company or its subsidiaries will not be able to enforce all of their rights under these agreements. If the Company or its subsidiaries are unable to enforce their rights under such agreements with third parties, there is a risk that the Group's business, financial position and results of operations are adversely affected.

Loss of licenses, permits and permissions

In most countries of operation, the Group is dependent on various licenses and other permits or permissions from local authorities (including but not limited to money licenses, business licenses, insurance licenses, credit and savings licenses) to conduct its business. The Company is exposed to the risk that any such license, permit or permission is not renewed or revoked, which would have a material adverse effect on the Group's business, financial position or results of operations.

Exposure to legislative and regulatory changes

There is a risk that amended legislation or regulatory measures relating to, *inter alia*, banking, insurance, credit and savings, acquisition and tax laws or new case law will have negative consequences for the Group. The financial services and insurance sectors are subject to extensive regulations through legislation and other rules and regulations in different jurisdictions. Regulatory change is constant and on the increase, requiring steadfast monitoring of relevant developments. Compliance to these regulations is imperative to ensure that operating licenses are maintained.

As many of the Group companies are required to hold several permits, licenses and concessions to carry out their businesses, the Group's business is under supervision of the authorities in the various countries in which the Group operates. The legal framework in such countries is continuously reviewed and updated. There is a risk that adoption of new legislation, regulations, legal or administrative proceedings or changes in the judicial application will force the Group to change or discontinue existing products, services, businesses or business models or incur significant expenses or liabilities or prohibit the Group to carry on the licensed operations. Furthermore, there is a risk that inspections and supervision from authorities will lead to penal charges or ultimately that licenses or concessions will be withdrawn. If the Group does not maintain sufficient compliance functions and/or breaches regulatory requirements or do not implement any such regulation properly or within certain timeframes it could lead to the consequence of for example withdrawal of permits or licenses which could have a material adverse effect on the Group's business, financial position and results of operations. Legal measures also risk causing significant damage to the Group's reputation and, in turn, negatively affecting the future development of the Group's operations.

Some of the Company's subsidiaries are required to at all times satisfy relevant capital adequacy requirements, entailing that its own funds at all times have to cover the risks which the business of the Group is associated with. The levels of certain capital adequacy ratios applicable may vary over time. Further, the Group may be required to hold even more capital if deemed necessary by the relevant authority. Insufficient own funds may lead to decisions by the relevant authority which could negatively impact the Group's business.

Risk related to violation of consumer protection legislation

The Group is subject to consumer protection rules in the jurisdictions in which it operates, concerning, for example fair contract terms and information and documentation requirements. In the event that the Group is deemed to be, or deemed to have previously been, in violation of applicable consumer protection rules, there is a risk that the relevant competent authority will, among other things, bring legal action against the Group, issue fines or conditional fines, order the Group to modify or cease certain marketing activities, order it to amend its terms of business, order it to cease certain types of credit lending or insurance mediation, or request that it changes its credit lending and credit assessment processes, which could have an adverse impact on the Group's reputation and on its ability to market to new and existing customers and could lead to additional marketing and compliance related

costs for the Group. In addition, such events could ultimately require the Group to cease or alter its operations, and could thus have a material adverse effect on the Group business, financial position or results of operations.

Risk related to money laundering and financing of terrorism

The Group is subject to laws, regulations and guidelines requiring the Group to take measures against money laundering and financing of terrorism, and to comply with sanction regulations. The compliance with these laws, regulations and guidelines requires extensive routines, processes and systems support, and such compliance may give rise to material financial strains for the Group. Insufficient measures against money laundering and financing of terrorism or violation of trade sanctions could have a material adverse effect on the Group business, financial position or results of operations.

Risks related to taxes

The Company operates its business through its subsidiaries in each of the geographic markets in which the Group conducts its business, with diverse and often changing tax regimes. The business is conducted in accordance with the Group's interpretation of applicable laws, tax treaties, regulations and requirements of the tax authorities in the relevant countries. However, there is a risk that the Group's interpretation of applicable laws, tax treaties, regulations, or administrative practice is incorrect, or that such rules are changed, possibly with retroactive effect.

The Group's subsidiaries are from time to time subject to tax audits. It is always uncertain what the outcomes are from tax audits and there is a risk that the Group will have to pay any fines and/or additional taxes. There is also a risk that the Group in the future will be subject to additional audits with remarks which could negatively affect the Group's business. Moreover, there is a risk that legislative changes or decisions by tax authorities will impair the present or previous tax position of the Group and/or result in fines or additional taxes in significant amounts, and thereby have a material adverse effect on the Group business, financial position or results of operations.

Changed accounting rules

The Company's business is affected by the accounting rules standards, from time to time, applied in the countries where the Group conducts its business, including for example IFRS and other international accounting standards. This means that there is a risk that the Group's accounting, financial reporting and internal control, as well as the Terms and Conditions, in the future will be adversely affected by, and will need to be adapted in accordance with, any changed accounting standards or a changed application of such accounting standards, such as any new accounting standards for financial instruments.

Moreover, certain accounting requires the Group to make estimates and assessments. IFRS 9 requires an expected credit loss model in relation to impairment of loans and advances. This requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the loans and advances. Another example is deferred tax assets which will depend on the ability to generate taxable income in order to utilise those losses.

New standards expose the Group to uncertainty regarding the Group's accounting, financial reporting, internal control as well as its interpretation thereof and also threatens to adversely affect the Group's accounted earnings, balance sheet and equity in the future as well as in respect of prior years' financial reports, and thereby have a material adverse effect on the Group's business, financial positions and results of operations.

Credit risks and risks relating to counterparties

The Group is exposed to credit risks and risks relating to counterparties. These risks concern the risk of losses if the counterparty does not fulfil its obligations. The Group's credit and counterparty risks consist of exposures to, *inter alia*, commercial counterparties, financial counterparties and insurance counterparties. The Group's commercial credit and counterparty risk primarily consist of arrears which are distributed over a large number of

counterparties. Credit and counterparty risks relating to financial and insurance counterparties are limited to financial institutions and insurance underwriters with high credit ratings.

The Group's primary credit and counterparty risk is that the customers cannot repay their debt under the individual loan agreements. Furthermore, the majority of the loans offered by the Company's subsidiaries to its customers are unsecured and in most jurisdictions in which the subsidiaries operate the involvement of public courts are time-consuming, expensive and uncertain. Furthermore, enforcement of court orders is unreliable in several jurisdictions of operation. However, there is a risk that losses incurred by the Group in this respect which are not being covered by the Group's insurance cover, or a delay in obtaining the insurance premium, will have a material adverse effect on the Group's business, financial position and result of operations.

Disputes and legal proceedings

The Company and its subsidiaries are from time to time involved in disputes and legal proceedings with, or receive claims from, third parties, such as customers, suppliers, other business partners, tax authorities or other local authorities. There is a risk that such disputes will be time consuming and costly and that the outcome will be unsuccessful or harmful for the Group. Furthermore, the costs associated with such disputes or claims can be difficult or even impossible to foresee. Consequently, there is a risk that claims against the Group or the Group's active involvement in any legal proceedings against a third party will result in the Group being forced to spend considerable sums and resources and that this will have an adverse effect on the Group's business, financial position and result of operations.

Competition

The Group operates in a competitive market. The Group's future possibilities to compete are, among other things, dependent upon the Group's ability to provide innovative products to its customers, anticipate future market changes and trends, and to rapidly react to existing and future market needs. There is a risk that actions undertaken by the Group in this respect will result in increased costs or require price reductions or changes of the Group's business model. Hence, there is a risk that increased competition from existing and new market participants as well as deteriorated competition possibilities will have a material adverse effect on the Group's business, financial position and result of operations.

Risk related to acquisitions and investments

The Company has historically carried out several acquisitions and could continue to grow through acquisitions also in the future ("**New Acquisitions**"). New Acquisitions are always subject to a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licenses and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental matters and other aspects. These agreements may also include put and call options in relation to the seller and the purchaser. These risks are normally greater, more difficult or more extensive to analyse in certain countries or regions where the Group is active.

A significant part of the acquisition process is the due diligence process. There is always an inherent risk that a due diligence of a New Acquisition will not reveal all facts that may be of relevance. Moreover, financial service companies are often difficult to value and an incorrect valuation will result in incorrect purchase-sums and ultimately imply that expected values are not achieved. In connection with New Acquisitions, there is a risk of liabilities that the Company failed to discover or was unable to quantify in its due diligence. The representations, warranties and indemnities contained in the agreements for the New Acquisitions are sometimes limited and the Company's ability to seek remedies for breach of such provisions following completion of the New Acquisitions will in those cases be limited.

Integration of the operations of New Acquisitions with the Company's existing business is often a complex, time-consuming and costly process. There is a risk that failure to successfully integrate New Acquisitions and their

operations in a timely manner will have a material adverse effect on the Group's business, financial position and results of operations. The difficulties of integrating the New Acquisitions include, among other things:

- (i) operating a larger organization;
- (ii) operating in a new jurisdiction;
- (iii) coordinating geographically disparate organizations, systems and facilities;
- (iv) adapting to additional regulatory and other legal requirements;
- (v) integrating corporate, technological and administrative functions; and
- (vi) diverting management's attention from other business concerns.

In addition, there is a risk that the process of integration will cause an interruption of, or a slowdown in, the activities of the Company's business or will cause members of the management team to devote considerable amounts of time to the integration process, which will decrease the time they will have to manage the Group's other businesses. There is a risk that the Group's business will suffer, operationally and financially, if the management is not able to effectively manage the integration process or if any business activities are interrupted as a result of the integration process.

The Company expects that New Acquisitions will generate specific synergies, *e.g.*, in relation to customer base, distribution network and product offerings. Achieving the benefits of New Acquisitions depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realise the anticipated growth opportunities from integrating the New Acquisitions into its existing business.

The risk set out above may mean that the Company will fail to realise any of the anticipated benefits of New Acquisitions. If such expected synergies are not obtained, there is a risk that the Group's business, financial position and results of operations are adversely affected.

Growth through acquisitions requires financial strength and often also external financing. There is a risk that the Group will be unable to make profitable New Acquisitions in the future if such financing cannot be displayed or obtained.

Moreover, investments in its subsidiaries and associated companies amounts for a large value in the financial statements and significant judgements are required by the management in assessing the impairment of investments. The valuation is largely based on expected future cash flows and in the event such estimations should turn out to not be correctly valued, it could have a material adverse effect on the Group's business, financial position and results of operations.

Insurance cover

The Group keeps the business insured through different insurance policies such as property and professional liability insurances. However, there is a risk that the Group's actual losses will exceed the value covered by the Group's insurance cover. There is also a risk that adequate insurance cover will not be available to the Group at a reasonable price in the future. Moreover, any claims the Group makes under its insurance policies or the occurrence of an event or events resulting in a significant number of claims being made may also affect the availability of insurance and increase the premiums the Group pays for its insurance coverage. The occurrence of one or more claims for which the Group lacks insurance cover or where the insurance cover is insufficient, can have a material adverse effect on the Group's business, financial position and results of operations.

Liquidity and refinancing risks

The Group has received several loans from banks, asset managers, pension funds as well as having incurred indebtedness through listed and unlisted bonds and other securities. These funding facilities are either secured or unsecured within the relevant subsidiary. The Company has provided guarantees for certain of its loans and its subsidiaries' loans. The Group is thereby exposed to liquidity and refinancing risks for all these loans, which refer

to the risks of increased costs and potentially limited opportunities when loans mature or otherwise shall be refinanced, as well as the risks of payment obligations not being met due to insufficient liquidity or difficulties in obtaining financing. The terms for these loans may also include certain undertakings and covenants which the Group has to comply with in order to not be in breach of the loan agreement which otherwise gives the lender the right to terminate the loan and to require immediate repayment.

The Group's business is capital intensive. Access to liquidity is a fundamental prerequisite for developing a successful loan business. The forecasting models applied by the Group to anticipate any change in funding that may be required include a certain level of estimations and expectations on future conditions and there is always a risk that such estimations and expectations will not materialise or prove to be incorrect.

The Group's objectives in relation to liquidity risk are to manage the contractual mismatch between the cash inflows from assets and cash outflows to settle liabilities, to fund the expected balance sheet growth, to honour all cash outflow commitments, to avoid raising funds at market premiums or through the forced sale of assets as a result of liquidity pressure and to take advantage of attractive but unanticipated borrowing opportunities.

If the Company's liquidity sources prove not to be sufficient, there is a risk that the Company will only be able to meet its payment obligations by raising funds on terms which may significantly increase its financing costs or that the Company will not be able to meet its payment obligations at all and as a result thereof default under material agreements entered into by the Company, and that the Group's business, financial position and results of operations is materially adversely affected.

Interest rate risk

Interest rate risks refer to risks that result from changes in the market interest which adversely affect the Group's net interest income. Interest rate risks are attributable to the development of the current interest rate levels. How quickly a change in interest rates affects the net interest income depends on the maturity of the financial assets and financial liabilities. There is a risk that extreme fluctuations in interest rate will have a material adverse effect on Group's business, financial position and results of operations.

Exposure to currency risks

The Group operates in several countries and as a result, generates revenues, incurs costs, takes deposits and savings and grants loans within the Group and to customers in a number of currencies. Consequently, the Group's results of operations are subject to currency exchange rate fluctuations. Because the consolidated financial statements of the Company are prepared in USD, the Group also faces a currency translation risk to the extent that the assets, liabilities, revenues and expenses of the Company or its subsidiaries are denominated in currencies other than USD.

Consequently, there is a risk that fluctuations in the value of the USD versus local currencies of the Company or its subsidiaries will affect the amount of these items in the Group's consolidated financial statements, even if their value has not changed in the original currency.

Risks relating to the Bonds

Credit risks

An investment in the Bonds carries a credit risk relating to the Group. The bondholders' ability to receive payment under the Terms and Conditions is therefore dependent upon the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, a number of which have been discussed herein.

An increased credit risk may cause the market to charge the Bonds at a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial

position of the Company may entail a lower credit-worthiness and the possibility for the Company to receive financing may be impaired when the Bonds mature.

Refinancing risk

The Company may be required to refinance its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position improve, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's operations, earnings and financial position and on the bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Company will be required to comply with the Terms and Conditions. Events beyond the Company's control, including changes in the economic and business condition in which the Group operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. As the market rate of interest is largely dependent on the U.S. and international economic development, this is a risk factor which the Company cannot control. Hence, investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Liquidity risks

The Company has undertaken to have the Bonds issued under the initial bond issue admitted to trading on Nasdaq Stockholm Sustainable Bond List or any other regulated market within twelve months after the first issue date. It is further the Company's intention to complete such admission within 30 calendar days from the first issue date of the Bonds, and no later than 60 calendar days after the first issue date of the Bonds. There is however a risk that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on a regulated market, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. This may result in the bondholders unable to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm Sustainable Bond List.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Company's and the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which have been discussed above. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Company's operating results, financial position or prospects.

Currency risk

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

Dependence on subsidiaries

A significant part of the Group's assets and revenues relate to their subsidiaries. Accordingly, the Company may be dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation's indebtedness. Should the Company not receive sufficient income from the subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

Structural subordination and insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. There is a risk that the Company and its assets would not be protected from actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group may result in the obligation of the Group to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material adverse effect on the Group's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

Contractual subordination and unsecured obligations

The Bonds are subordinated to all of the Company's unsubordinated present and future debts. Each investor should also be aware that the Bonds are unsecured obligations of the Company. In the event of liquidation or insolvency of the Company, the Company will be required to pay all unsubordinated creditors in full (including holders of any unsubordinated market debt) before the Company makes any payment on the Bonds. Due to the unsecured and subordinated nature of the Bonds there is a risk that an investor in the Bonds may lose all or part of its investment in the event of liquidation or insolvency of the Company.

Risks related to early redemption

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount of the Bonds.

In addition, the Company may at one occasion in connection with an equity listing event (as described in the Terms and Conditions) redeem up to 35 per cent. of the aggregate nominal amount of the Bonds *pro rata*. The redemption shall be made with an amount per Bond together with a premium.

However, there is a risk that the market value of the Bonds is higher than the early redemption and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

The Bonds may be subject to mandatory repayment upon a change of control event. There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds under the Terms and Conditions which could adversely affect the Company (e.g., by causing insolvency or a payment default or another event of default under the Terms and Conditions) and thus adversely affect all bondholders and their recovery under the Bonds.

No action against the Company and bondholders' representation

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

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Bondholders' meetings

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

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is each potential investor's obligation to ensure, at own cost and expense, that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

Risks relating to the clearing and settlement

The Bonds will be affiliated with Verdipapirsentralen ASA (VPS) in Norway's account-based system (the "VPS"), and no physical Bonds will be issued. Clearing and settlement relating to the Bonds will be carried out within VPS's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of the VPS's account-based system and the role of the payment agent, which is a factor that the Company cannot control. If the VPS's account-based system or the role of the payment agent

would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.

Amended or new legislation

This Prospectus and the Terms and Conditions are based on Swedish law in force at their respective date of issuance. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Influence of major shareholders

The Company has several larger shareholders, who may as a result of their influence affect the Company, *inter alia*, on matters that are subject to approval at the shareholders' meeting. There is a risk that the interests of these major shareholders come to conflict with the interest of the bondholders and that these shareholders, through their influence, affect the Company in a way that is not in the best interest of the bondholders.

Conflict of interests

The managers have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise as a result of the managers having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

3 Statement of responsibility

The Company issued the Bonds on 14 June 2019. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

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

Ebene, Mauritius 28 June 2019

Bayport Management Ltd

The Board of Directors

4 The Bonds in brief

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. The complete terms and conditions for the Bonds can be found in section 11 “Terms and Conditions”.

The Issuer:	Bayport Management Ltd, registration number 54787 C1/GBL, incorporated on 10 September 2001 in British Virgin Islands and continued as a Mauritian company with effect from 4 March 2005. The Company was registered as a private company limited by shares on 2 March 2005 under the Mauritian Companies Act 2001. On 28 July 2011 the Company converted into a public limited liability company.
The Bonds:	The Bonds are debt instruments registered under Norwegian law and intended for public trading. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them. The Board of Directors of the Company resolved on 13 May 2019 to issue the Bonds.
Issue Date:	14 June 2019.
ISIN-code:	NO0010856180.
Short name:	BAYP 007.
Purpose of the Bonds:	The Net Proceeds shall be used in accordance with the Social Bond Framework. The Net Proceeds from the Initial Bond Issue shall be used to (a) firstly redeem the Existing Bonds with ISIN SE0009723075 in full (including accrued interest and any prepayment premium) and thereafter to (b) finance general corporate purposes of the Group, including investments and acquisitions, and/or redeem the Existing Bonds with ISIN SE0006451712 in full (including accrued interest and any prepayment premium). The Net Proceeds from any Subsequent Bond Issue shall be used to finance the purposes set out in (b) above.
Subsequent Bond Issue:	Provided that the Equity Claw Back has not been used, the Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals USD

400,000,000, always provided that the Incurrence Test (calculated *pro forma* including such issue) is met and no Event of Default is continuing or would result from (i) the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing or (ii) the Subsequent Bond Issue.

Nominal Amounts and denomination:	The total Nominal Amount of the Initial Bond Issue is USD 260,000,000. Each Bond has a nominal amount of USD 100,000 and is denominated in USD. The minimum permissible investment in the Initial Bond Issue and any Subsequent Bond Issue is USD 200,000.
Interest:	The Bonds bear Interest from, and including, the Issue Date up to but excluding the relevant Redemption Date. Any Subsequent Bond will carry Interest from, and including, the Interest Payment Date falling immediately prior to their issuance up to but excluding the relevant Redemption Date. The Interest Rate is a fixed rate of 11.50 per cent. <i>per annum</i> , payable semi-annually on 14 June and 14 December each year or, to the extent such day is not a Business Day, the first following day that is a Business Day. The last interest payment is due on the Final Redemption Date. Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each, unless: (a) the last day in the relevant Interest Period is the 31 st calendar day but the first day of that Interest Period is a day other than 30 th or the 31 st day of the months, in which case the months that includes that day shall not be shortened to a 30-day month or (b) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.
Final Redemption Date:	14 June 2022, at which date the Issuer shall redeem all outstanding Bonds at the Nominal Amount together with accrued but unpaid Interest.
The right to receive payments under the Bonds:	Payment of the Nominal Amount and Interest shall be made to the person who is registered as bondholder on the Record Date prior to each Interest Payment Date in accordance with the rules of the CSD from time to time.
Decisions by bondholders	The Bonds entitle bondholders representing at least ten (10) per cent. to request a decision of the bondholders. Such decisions are rendered by way of a Holders' Meeting or a Written Procedure, as decided by the Agent. Valid decisions require the consent of bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which bondholders are voting, and in

respect of certain matters a qualified majority of at least three quarters (3/4) of the Adjusted Nominal Amount for which bondholders are voting is required. Quorum exists if the bondholders present represent at least twenty (20) per cent. of the Adjusted Nominal Amount or in relation to matters requiring qualified majority at least fifty (50) per cent. of the Adjusted Nominal Amount.

Final Redemption

The Issuer shall redeem all outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest, unless previously redeemed in accordance with clause 11.3 “*Early voluntary redemption by the Issuer (call option)*” or terminated in accordance with clause 14 “*Termination of the Bonds*” in the Terms and Conditions.

Early voluntary redemption by the Issuer (call option)

The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest (see further clause 11.3 “*Early voluntary redemption by the Issuer (call option)*” in the Terms and Conditions).

Mandatory repurchase due to a Change of Control Event (put option)

Upon a Change of Control Event occurring, each bondholder has, during a period of thirty (30) days, the right to request that all, or only some, of its Bonds are repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest (see further clause 11.5 “*Mandatory repurchase due to a Change of Control Event (put option)*” in the Terms and Conditions).

Equity Claw Back

The Issuer may at one occasion, in connection with an Equity Listing Event, redeem up to thirty-five (35) per cent. of the aggregate Nominal Amount of Bonds *pro rata* among the bondholders. The redemption must occur on an Interest Payment Date within one hundred and eighty (180) calendar days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event. The Issuer shall not give less than twenty (20) Business Days’ notice of the repayment to the Agent and the bondholders and the repayment price per Bond shall equal the repaid percentage of the Nominal Amount plus a premium on the repaid amount equal to one hundred and two (102.00) per cent. of the redeemed Nominal Amount. Any accrued and unpaid Interest on the Bonds being redeemed shall be paid together with principal on the date of such redemption, provided that such Interest

shall not be included in the calculation of the amount of Bonds the Issuer is permitted to redeem (see further clause 11.4 “*Equity Claw Back*” in the Terms and Conditions).

Time-bar

The right to receive repayment of the Nominal Amount shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest shall be time-barred and become void three (3) years from the relevant due date for payment.

Restrictions on trade

The Bonds are freely transferable, but the bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a bondholder may be subject. Each bondholder must ensure compliance with such restrictions at its own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

Agent

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329 SE-103 90 Stockholm, Sweden. The Agent is acting as agent for the bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the bondholders and without having to obtain any bondholder’s consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the bondholders in every matter concerning the Bonds and the Terms and Conditions subject to the terms of the Terms and Conditions. The Agent is authorised to act on behalf of the bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent’s satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a bondholder which does not comply with such request of the Agent. An agreement has been entered into between the Agent and the Issuer regarding, *inter alia*, the remuneration payable to the Agent. The agent agreement is available at the Trustee’s office. The rights and obligations of

the Agent are set forth in the Terms and Conditions.

Rating

The Bonds have not been assigned an official credit rating by any credit rating agency.

Listing of the Bonds

The Company intends to apply for listing of the Bonds issued in the Initial Bonds Issue on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 2,600 under the Initial Bond Issue. Admission of those Bonds to trading on Nasdaq Stockholm is expected to occur shortly after Nasdaq Stockholm's approval of the abovementioned application for listing. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. For the avoidance of doubt, Subsequent Bonds may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

Securities register (Sw. *skuldbok*) and financial institution (Sw. *finansiellt institut*) through which the bondholders can exercise their financial rights

The Bonds are connected to the account-based system of Verdipapirsentralen ASA (VPS) in Norway. Holdings of the Bonds are registered on behalf of the bondholders on a securities account and no physical Bonds have, or will be, issued. The bondholders' financial rights such as payments of the Nominal Amount and Interest, as well as, if applicable, withholding of preliminary tax will be made by Verdipapirsentralen ASA (VPS) in Norway and/or the Paying Agent.

5 The Group and its operations

Introduction

The Company, Bayport Management Ltd, was incorporated on 10 September 2001 in British Virgin Islands and continued as a Mauritian company with effect from 4 March 2005. The Company was registered as a private company limited by shares on 2 March 2005 under the Mauritian Companies Act 2001 with registration number 54787 C1/GBL. The Company further holds a Category 1 Global Business Licence, issued by the Financial Services Commission of the Republic of Mauritius on 3 March 2005, in accordance with the Mauritian Financial Services Act 2007 and the Financial Services (Consolidated Licensing and Fees) Rules 2008. On 28 July 2011 the Company converted into a public limited liability company. The Company's operations are regulated by the Mauritian Companies Act 2001 and the Stock Exchange of Mauritius Ltd.

The Company's Registered Office is c/o DTOS Ltd, 10th Floor, Standard Chartered Tower, 19 Cyber City, Ebene, Republic of Mauritius. The Company's physical address is located at Ebene Skies, 3rd Floor, Rue de L'Institut, Ebene, Republic of Mauritius. The registered name and trade name of the Company is Bayport Management Ltd.

Governance

To ensure that the control over the Company is not abused, the Company complies with the Mauritius Companies Act 2001 (the "**Companies Act**"), rules and regulations made by the Stock Exchange of Mauritius ("**SEM**") and the Financial Services Commission ("**FSC**") under the Securities Act 2005. The conduct of the Company is governed not only by the Companies Act, but also by the Company's memorandum of association and by Mauritian common law.

Business and operations

In accordance with the revised constitution of the Company, adopted on 28 January 2013, the objects of the Company are:

- (i) to engage in global business as permitted under the Financial Services Act 2007;
- (ii) to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stocks and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company; and
- (iii) to do all such other things as are incidental to, or the Company may think conducive to the conduct, promotion or attainment of the objects of the Company.

The Group started its operations in Zambia in 2002 when introducing At Source lending scheme in co-operation with the mining labour union. The Group's activities in Zambia later evolved through lending to employees of the Zambian civil service. The Group continued its operation by introducing its business in several African countries and later in Latin America.

The majority of the subsidiaries of the Group are involved in the provision and underwriting of unsecured term finance to the employed mass market and earn their revenue in the form of interest incomes, insurance incomes and administration fees relating to the loans to their customers. The subsidiaries mainly provide loans to people employed by the government in the respective countries. At Source loans are the core of the Group's offering and are unsecured loans where payments are deducted at source (by the employer) before the borrower receives the net salary. The repayment of the individual loans is carried out either through direct deduction from the employees' payroll in accordance with agreements concluded between the subsidiaries and the employees (for all countries with the exception of South Africa) or through direct deduction from the customers bank account in accordance with agreements concluded between the subsidiary and the customer (in South Africa).

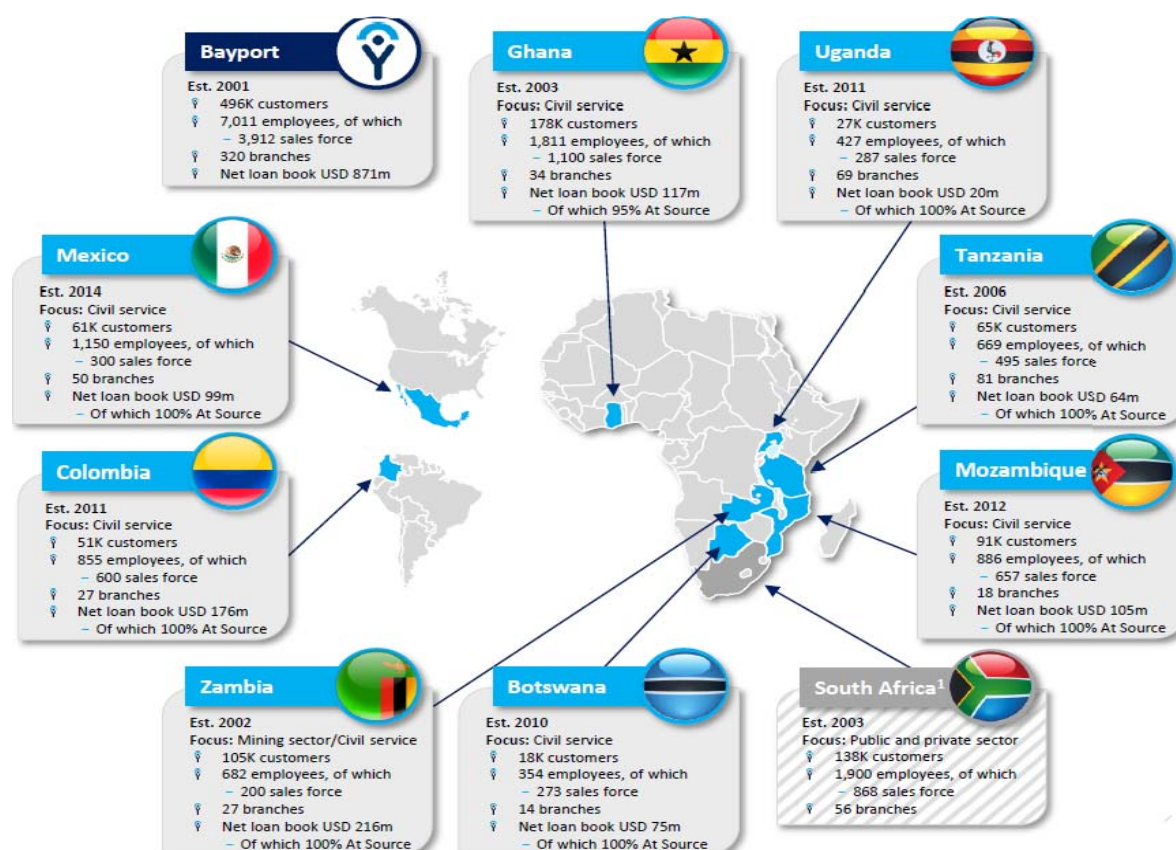
No other security is provided by the customer under the individual loan agreements and any outstanding amount under the loan agreements may therefore not be recovered from the payroll if the customer has left his/her employment or is dismissed. In these cases, the subsidiaries can collect from the customers' bank account. All subsidiaries of the Group offer credit life insurances, which are underwritten by local insurance companies, to its customers.

At Source loans are the core of the Group's offering and are available in all its subsidiaries. As of December 2018, At Source loans amounted to 99.3 per cent. of the net loan book.

In 2017, the Company acquired the insurance business of Trafic and in December 2018 Sugaree Insurance Company Limited, a company registered in Bermuda, was incorporated and which principal activities will be for the provision of the insurance services.




The below charts show a summary of the Group's presence across countries and the financial products and services that the Group offers.

The Group's presence across countries



1. South Africa which is owned to forty-nine (49.00) per cent., is an associate company to the Group.

Financial products and services offered by the Group

								
Product	Zambia	Ghana	Mexico	Mozamb.	Tanzania	Uganda	Colombia	Botswana
Credit	Payroll Loans	✓	✓	✓	✓	✓	✓	✓
	Unsecured Term Loans		✓					
	Small Unsecured		✓		✓			
	Car Title Loans		✓					
	Deposit Collateral Loans				✓			
Savings	LCL Demand Deposit	✓	✓		✓			
	LCL Fixed Deposit	✓	✓		✓			
Transactions	Current Accounts		✓					
	Cards		✓					
	Airtime Purchase		✓					
	Money Transfer	✓	✓					
Insurance	Credit Life	✓	✓	✓	✓	✓	✓	✓
	Micro Life		✓					
	Micro General		✓					
	Funeral Insurance	✓						
	[Education Protection]							
	Target Save		✓					
	Personal Accident						✓	
Motor Insurance		✓						

Investments

Since the Company's unaudited condensed consolidated financial statements for the financial period 1 January – 31 March 2019, the Group has not made any investments.

The Company does not have any material ongoing or scheduled investments.

6 Selected historical financial information

The selected historical financial information presented below regarding financial years 2017 and 2018 is derived from the Company's consolidated annual reports for years 2017 and 2018, which have been prepared in accordance with IFRS and audited by the Company's auditor. The selected historical financial information below regarding Q1 2018 and Q1 2019 is derived from the Company's unaudited condensed consolidated financial statements for 1 January 2018 – 31 March 2018 and 1 January 2019 – 31 March 2019, which have been prepared in accordance with IFRS and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The information below shall be read together with Company's consolidated annual reports for the financial years 2017 and 2018, and the Company's unaudited condensed consolidated financial statements for 1 January 2018 – 31 March 2018 and 1 January 2019 – 31 March 2019 which are – but only with respect to the sections listed in section 10 “Documents incorporated by reference” – incorporated by reference into this Prospectus. All reports are available on Bayport's website (www.bayportfinance.com/investor-relations/nasdaq-omx-reporting/reports/).

Income statements – Group

Consolidated Income Statement (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
Interest and other similar income	272,521,532	325,723,855	80,750,545	82,993,750
Interest and other similar expense	(116,063,041)	(119,684,372)	(27,188,793)	(33,982,733)
Net interest income	156,458,491	206,039,483	53,561,752	49,011,017
Commission income	5,623,289	4,216,240	1,061,801	1,128,300
Dividend income	8,119,427	17,573,053	2,187,512	14,983,914
Other income	8,325,093	8,998,178	2,051,761	4,437,703
Net non-interest Income	22,067,809	30,787,471	5,301,074	20,549,917
Operating income	178,526,300	236,826,954	58,862,826	69,560,934
Operating expenses	(122,901,181)	(147,522,027)	(33,839,114)	(36,694,792)
Foreign exchange losses	(35,475,732)	(3,116,538)	234,054	330,780
Operating profit before impairment on financial assets	20,149,387	86,188,389	25,257,766	33,196,922
Impairment on financial assets	(20,192,274)	(18,237,385)	(6,972,277)	(5,778,414)
Operating profit/(loss)	(42,887)	67,951,004	18,445,393	27,418,508
Share of post-tax results of associates	1,362,862	3,416,719	1,063,719	2,042,838
Profit before taxation	1,319,975	71,367,723	19,509,112	29,461,346
Taxation	(16,479,145)	(26,406,049)	(7,468,807)	(5,978,767)
Profit/(loss) for the year from continuing operations/for the period	(15,159,170)	44,961,674	12,040,305	23,482,579
Discounted operations				
Loss from discounted operations	(29,170,201)	-	-	-
Profit/(loss) for the year	(44,329,371)	44,961,674	-	-
Attributable to:				
Owners of the company	(48,139,229)	38,193,634	9,970,223	22,362,686
Non-controlling interests	3,809,858	6,768,040	2,070,082	1,119,893
Profit/(loss) for the year/for the period	(44,329,371)	44,961,674	12,040,305	23,482,579
Earnings/loss per share:				

From continuing and discontinued operations				
Basic earnings/(loss) per share	(1.55)	1.12	0.29	0.65
Diluted earnings/(loss) per share	(1.54)	1.10	0.29	0.64
From continuing operations				
Basic earnings/(loss) per share	(0.61)	1.12	0.29	0.65
Diluted earnings/(loss) per share	(0.61)	1.10	0.29	0.64

Balance sheets – Group

Consolidated Balance Sheet (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
Assets				
Cash and bank balances	54,327,605	68,412,034	66,723,529	52,325,411
Other receivables	14,773,383	15,888,584	-	20,800,102
Current tax assets	11,641,186	14,126,350	12,154,456	14,145,622
Other financial assets	3,200,923	21,706,180	-	25,127,506
Loans and advances	713,550,384	870,702,219	831,361,127	912,838,450
Other investments	32,256,348	34,818,013	-	20,326,106
Investments in associates	134,179,442	116,034,222	139,844,424	116,647,468
Goodwill	4,664,824	4,581,465	4,984,986	4,578,058
Property and equipment	12,342,144	12,589,846	12,748,177	12,003,589
Right-of-use assets	-	-	-	10,056,393
Intangible assets	24,055,224	34,898,285	25,807,857	50,208,057
Deferred tax assets	32,604,097	32,081,917	31,091,086	31,572,581
Total assets	1,037,595,560	1,225,839,115	1,142,410,339	1,270,629,343
Liabilities				
Bank overdrafts	5,286,878	52,331,627	21,521,583	53,482,909
Deposits from customers	55,149,478	73,727,911	71,184,224	71,781,847
Other payables	42,641,144	57,754,751	41,182,112	51,303,205
Provisions	-	2,822,832	-	-
Current tax liabilities	5,755,493	6,327,565	8,484,169	6,869,627
Other financial liabilities	2,836,325	21,701,805	4,200,754	29,193,440
Finance lease obligation	115,649	47,166	71,254	9,654,214
Borrowings	668,334,309	780,694,896	707,682,453	813,610,201
Deferred tax liabilities	49,157	32,642	51,004	33,357
Total Liabilities	780,168,433	995,441,195	854,377,553	1,035,928,800
Equity				
Share capital and treasury shares	363,659,610	373,557,114	363,659,610	373,557,114
Reserves	(153,130,732)	(204,397,871)	(133,884,678)	(225,668,194)
Retained earnings	33,891,828	46,657,871	42,749,106	71,454,837
Equity attributable to equity holders of the company	244,420,706	215,817,114	272,524,038	219,343,757
Non-controlling interests	13,006,421	14,580,806	15,508,748	15,356,786
Total Equity	257,427,127	230,397,920	288,032,786	234,700,543
Total Liabilities and Equity	1,037,595,560	1,225,839,115	1,142,410,339	1,270,629,343

Cash flow statements – Group

Consolidated Cash Flow Statement (USD)	Y 2017	Y 2018	Q1 2018	Q1 2019
Cash flows from operating activities from continuing operations				
Cash used in continuing operations	(28,401,226)	(6,598,445)	(315,973)	(15,864,687)
Dividend received	8,119,427	19,749,683	3,376,824	15,238,914
Finance costs paid	(118,491,214)	(115,757,882)	(33,444,741)	(40,502,947)
Tax paid	(22,776,946)	(29,874,188)	(4,663,657)	(4,880,978)
Net cash used in operating activities	(161,549,959)	(132,480,832)	(35,047,547)	(46,009,698)
Cash flows from investing activities				
Purchase of property, equipment and intangible assets	(15,823,347)	(19,435,890)	(3,198,035)	(16,800,671)
Proceeds on disposal of property, equipment and intangible assets	149,505	111,569	13,342	30,229
Net increase / (decrease) in amount due to related parties	(10,149,216)	1,257,780	-	2,457,456
Net cash outflow on buy back of shares from minority shareholders	(1,750,227)	-	-	-
Net cash flows from disposal of subsidiary	71,153,947	-	-	-
Total cash paid on acquisition of associates	(1,912,255)	-	-	(109,650)
Net movement in other investments	-	(115,117)	-	-
Proceeds from issue of shares to non-controlling interests	1,793,772	-	-	-
Net cash flows (used in) / generated by investing activities from continuing operations	43,462,179	(18,181,658)	(3,184,693)	(14,422,636)
Cash flows from financing activities				
Proceeds from issue of convertible equity instrument	60,560,000	-	-	-
Proceeds from issue of bonds	(127,510,645)	41,693,805	-	419,323
Repayment of bonds	-	(24,147,486)	-	-
Net increase in other borrowings	125,579,531	131,416,139	33,296,860	47,959,947
Repayment of finance lease obligation	-	(67,005)	-	-
Mark-to-Market payments on forward contracts	-	(22,272,430)	-	(5,000,186)
Payment on unwinding of forward contracts	(8,619,471)	-	-	-
Net cash outflow on buy back of shares	(900,723)	-	-	-
Net cash flows generated by financing activities from continuing operations	49,108,692	126,623,023	33,296,860	43,379,084
Net cash flows (used in) / generated discontinued operations	(15,645,505)	-	-	-
Net increase / (decrease) in cash and cash equivalents	(84,624,593)	(24,039,467)	(4,935,380)	(17,053,250)
Cash and cash equivalents at the beginning of the year/period	136,266,040	45,740,727	49,040,727	16,080,407
Effect of foreign exchange rate changes	(2,600,720)	(5,620,853)	1,096,599	(184,655)

Net cash and cash equivalents at the end of the year/period	49,040,727	16,080,407	45,201,946	(1,157,498)
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7 Board of directors, senior management and auditor

The business address for all members of the board of directors and the senior management of the Company is: Bayport Management Ltd, 3rd Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius. Telephone number to the physical office is: +230 465 1605. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors

Grant Kurland

Born in 1971 and of South African nationality. Member of the board of directors since 2009 and Joint Chief Executive Officer. Mr Kurland is also a member (by invitation) of the Remuneration Committee and Audit Risk and Corporate Governance Committee of the Company. He is a member of the Asset and Liability Committee as well as the chairperson of the Administrative Committee of the Company. Mr Kurland is further a member of the board of directors of Cashfoundry Ltd, Actvest (Pty) Ltd, Bayport Financial Services (T) Limited, Bayport Financial Services Uganda Limited, Bayport Financial Services 2010 (Pty) Limited, Bayport International Headquarter Company Proprietary Limited, Bayport Financial Services Mozambique (MCB) S.A., and as well as chairperson of Bayport Financial Services Ltd (BFS Zambia). Directorships outside of the Group for Mr Kurland include Bayport Holdings (South Africa) (Pty) Ltd.

Stuart Stone

Born in 1969 and of South African nationality. Member of the board of directors since 2005 and Joint Chief Executive Officer. Mr Stone is also the chairperson of the Asset and Liability Committee of the Company. In addition, Mr Stone is a member (by invitation) of the Audit Risk and Corporate Governance Committee. Mr Stone is further a member of the board of directors of Actvest Proprietary Ltd, Bayport International Headquarter Company Proprietary Ltd, Bayport Latin America Holdings Ltd, BFSA Executive Holdings Proprietary Limited, Zenthyme Investments (Pty) Ltd, Bayport Financial Services Ltd (BFS Zambia), Bayport Colombia SA, Money Quest Investments Ltd, Financiera Fortaleza, S.A De CV, Bayport Savings and Loans PLC (Bayport Ghana), Cashfoundry Ltd, Financiera Fortaleza S.A. de C.V., SOFOM, E.N.R, The Real Automobile Finance & Insurance Consulting Company (Pty) Ltd, Built to Last (Pty) Ltd, Green Light Insurance Brokers (Pty) Ltd, Sugar Magnolia (Pty) Ltd, Traffic Maintenance Plans (Pty) Ltd, Traffic Global (Pty) Ltd, Peak Hour Consultants (Pty) Ltd and Bayport Financial Services 2010 (Pty) Limited.

Justin Chola

Born in 1962 and of Zambian nationality. Member of the board of directors since 2007. Mr Chola is also the CEO and director of the Company's Zambian subsidiary Bayport Financial Services Limited. Mr Chola is further a member of the board of directors of Bayport Savings and Loans PLC (Bayport Ghana), Bayport Financial Services 2010 (Pty). Directorships outside of the Group, for Mr Chola include Kansanshi Mine, Twangale Investments Limited, CLCM Limited, Allied Asset Management Limited and CNA Limited.

Eric Venpin

Born in 1966 and of Mauritian nationality. Member of the board of directors since 2007. Mr Venpin is also a member of the audit, risk and corporate governance committee and the administrative committee. Current directorships outside the Group include member of the board of directors of DB Fund (Mauritius) Ltd, Fire Capital Fund Mauritius Private Limited, RSJ II Powerfunds PCC, RSJ Prop, PCC and SBM Maharaja Fund.

Jimmy Wong

Born in 1968 and of Mauritian nationality. Member of the board of directors since 2007. Mr Wong is also a member of the Administrative Committee. Current directorships outside the Group include managing director of DTOS Ltd.

Souleymane Ba

Born in 1981 and of Senegalese nationality. Member of the board of directors since 2014. Mr Ba is also a member of the asset and liability committee and the remuneration committee. Current directorships outside the Group include member of the board of directors of Helios Tower Africa and Solevo.

Roberto Rossi

Born in 1962 and of South African nationality. Member of the board of directors since 2015. Mr Rossi is the co-founder of Transaction Capital Limited and is also a director of Bayport Financial Services 2010 (Pty) Limited. Directorships outside of the Group for Mr Rossi include Transaction Capital Ltd and certain of its subsidiaries.

Mervin Muller

Born in 1980 and of South African nationality. Member of the board of directors since 2015. Mr Muller is also a member of the audit, risk and corporate governance committee and a member of the asset and liability committee. Directorships outside the Group for Mr Muller include the board of directors of Menlyn Maine Investment Holdings (Pty) Ltd as well as Afgri Ltd.

Nicholas Haag

Born in 1958 and of British nationality. Member of the board of directors since 2016. Mr Haag is also the chairperson of the audit, risk and corporate governance committee and the interim chairperson of the Remuneration Committee. Current assignments outside the Group include a supervisory board director of TBC Bank Georgia, Citadele Bank Group and Nicdom Ltd.

Cynthia Gordon

Born in 1962 and of British nationality. Member of the board of directors since 2017. Outside of the Group, Ms. Gordon is a director of Kinnevik Investment Trust and strategic advisor and the chairperson of Global Fashion Group.

Franco Danesi

Born in 1972 and of Italian nationality. Member of the board of directors since 2017. Mr Danesi is also a member of the audit, risk and Corporate Governance Committee and a member of the Remuneration Committee. Directorships outside the Group include a director of Metro International, Home24 as well as a board observer of Deposit Solutions.

Kabelo Molefe Senoelo

Born in 1984 of South African nationality. An alternate Member (to Mervin Muller) of the board of directors since 2016. Directorships outside the Group for Mr Senoelo include the board of directors of Afgri (Pty) Ltd, Afgri Holdings (Pty) Ltd, Sub-Saharan Industrial Holdings (Pty) Ltd, Surtees Group Holdings (Pty) Ltd, Amalooloo (Pty) Ltd and Tzoneva Asphalt (Pty) Ltd.

Senior management***Grant Kurland***

Grant Kurland is the Chief Executive Officer of the Company since 2002 and Joint Chief Executive Officer of the Company since 2014. For further information please see section “Board of directors” above.

Stuart Stone

Stuart Stone is the Joint Chief Executive Officer of the Company since 2014. For further information please see section “Board of directors” above.

Stephen Williamson

Stephen Williamson is the Group Chief Financial Officer of the Company since 2015.

Bryan Arlow

Bryan Arlow is the Group Chief Operating Officer since 2018.

Board committees

Administrative Committee

The administrative committee’s key role is to assist the board in the day to day functions of the Group, and is responsible for the operational and administrative matters with respect to Bayport.

Members: Grant Kurland, Jimmy Wong and Eric Venpin.

Audit, risk and compliance committee

The audit, risk and compliance committee’s function is to assist the board of directors to discharge its corporate governance responsibilities to exercise due care, diligence and skill in respect of oversight of annual financial statements, combined assurance, internal audit, risk management, internal control systems, maintenance of the independence of Bayport’s auditors and compliance with applicable laws and regulations.

Members: Nicholas Haag (chairperson), Franco Danesi, Mervin Muller and Eric Venpin.

Assets and liabilities committee

The assets and liabilities committee is constituted to assist the board of directors in discharging its duties with respect to the identification and monitoring of key risk areas and key performance indicators as well as set strategies in the Bayport group of companies. The risk factors include concentration/counterparty risk, currency risk, interest rate risk, liquidity risk, debt covenant adherence risk, credit rating risk, capital adequacy and any risk the committee may regard as material to the Group.

Members: Stuart Stone (chairperson), Grant Kurland, Mervin Muller, Souleymane Ba, David Rajak, Stephen Williamson and Nicholas Haag.

Remuneration committee

The remuneration committee has an independent role and assists the board with regards to the overall remuneration policy of the group and shall ensure that the Group’s directors and senior executives are fairly and responsibly rewarded for their overall contributions to the overall Group’s company performance. It also ensures that the disclosure of the directors’ emoluments is accurate, complete and transparent.

Members: Nicholas Haag (interim chairperson), Souleymane Ba and Franco Danesi.

Conflicts of interests

Although several members of the board of directors and the senior management have a financial interest in the Company through their direct and indirect holdings of shares in the Company, none of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company. Although there are currently no conflicts of interest, there is always a risk that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

Auditor

Deloitte was appointed as the auditor of the Company in 2005 and has thereafter been reappointed at each annual meeting up until the date of this Prospectus. Laura Yeung is the group partner at Deloitte who is responsible for the Company and she is a member of Association of Chartered Certified Accountants.

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

Secretary of the Company

DTOS Ltd. was appointed Secretary of the Company in connection with the incorporation of the Company. In accordance with the Mauritian Companies Act 2001, the duties of the Secretary of the Company shall include, but are not limited to, the following: (i) providing the board with guidance as to its duties, responsibilities and powers; (ii) informing the board of all legislation relevant to or affecting meetings of shareholders and directors and reporting at any meetings and the filing of any documents required of the company and any failure to comply with such legislation; (iii) ensuring that minutes of all meetings of shareholders or directors are properly recorded and all statutory registers be properly maintained; (iv) certifying in the annual financial statements of the company that the company has filed with the Registrar all such returns as are required of the company; and (v) ensuring that a copy of the company's annual financial statements and where applicable the annual report are sent to every person entitled to such statements or report.

Financial interests

Several members of the board of directors and the senior management have a financial interest in the Company through their direct and indirect holdings of shares in the Company.

Dependence on subsidiaries and associated companies

The Company holds no significant assets other than the investments in the operational Group companies and is therefore dependent upon the receipt of income related to the operation of and the ownership in these companies. The Company runs the Group office which determines the regulatory, funding, treasury and compliance requirements across the Group. The Company has an oversight role in the Group in ensuring that the operations meet the standards of responsible corporate behaviour relating to the Group's lending practice.

8 Legal considerations and supplementary information

Legal group structure

The Company is a holding company of the following entities.

Name	Location	Percentage of voting power
Bayport Financial Services Limited	Zambia	83.23%
Bayport Savings and Loans PLC	Ghana	98.89%
Bayport Financial Services Uganda Limited	Uganda	85%
Bayport Financial Services (T) Limited	Tanzania	89%
Money Quest Investments (Proprietary) Limited	Botswana	98.31%
Bayport Colombia S.A.	Colombia	94%
Cashfoundry Limited	UK	100%
Bayport Financial Services 2010 (Proprietary) Limited	South Africa	49%
Zenthyme Investments (Proprietary) Limited	South Africa	100% (indirect holding)
Actvest Limited	Mauritius	100%
Bayport Financial Services Mozambique (MCB) S.A. (Sociedade Anonima)	Mozambique	99%
Actvest Mexico S.A.P.I de C.V	Mexico	100% (indirect holding)
Bayport Securitisation (RF) Ltd	South Africa	49% (indirect holding)
Hollard Business Associates (Pty) Ltd	South Africa	N/a
Bayport Latin America Holdings Ltd	Mauritius	100%
Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R	Mexico	14.25%
Sugaree Insurance Company Ltd	Bermuda	100%
Bayport International Headquarter Company (Pty) Ltd	South Africa	100%
Bayport Tutari (RF) Proprietary Limited	South Africa	N/a
Cell Company with Guardrisk Insurance Ltd	South Africa	N/a
Bayport Financial Services Namibia (Pty) Ltd (Deregistration in process)	Namibia	N/a
Actvest (Pty) Ltd	South Africa	100% (indirect)
Bayport Financial Services (USA) Inc	USA	100% (indirect)
BFS SA Executive Holdings Proprietary Limited (dormant)	South Africa	49% (indirect)
The Real Automobile Finance & Insurance Consulting Company Proprietary Ltd	South Africa	51%
Peak Hour Consultants Proprietary Limited	South Africa	51%

Name	Location	Percentage of voting power
Traficc Global Proprietary Ltd	South Africa	51%
Green Light Insurance Brokers Proprietary Limited	South Africa	51%
Built to Last Proprietary Ltd	South Africa	51%
Traficc Maintenance Plans Proprietary Limited	South Africa	51%
Sugar Magnolia Proprietary Ltd	South Africa	51%
Picasso Moon Investments Ltd	Mauritius	51%

Share capital, shares and major shareholders

The shares of the Company are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of USD 373,557,114, divided into 30,937,688 shares, each share of USD 1 par value. The Company's shares are listed by way of introduction on the Official Market of the Stock Exchange of Mauritius Ltd. However, the listing is a technical listing and the shares are not being traded.

The shareholders of the Company as of the date of this Prospectus are set out in the table below. As at the date of this Prospectus, the five largest shareholders of the Company are: Kinnevik New Ventures holding 7,428,902 shares, Public Investment Corporation (SOC) Limited holding 6,377,550 shares, Takwa Holdco Limited holding 5,621,135 shares, Elsworthy Holding Ltd holding 3,672,000 shares and Grant Colin Kurland holding 2,863,057 shares. A full table of the shareholdings' in the Company is set out below.

Shareholder	Number of shares
Etienne Henry Coetzer*	134,000
Kinnevik New Ventures AB*	7,428,902
Elsworthy Holdings Ltd*	3,672,000
Grant Colin Kurland*	2,863,057
Kasumu Ltd*	2,582,000
Ted Kristensson**	15,000
Paul Rodgers**	27,762
Paul Silverman**	18,648
David Rajak**	18,648
Takwa Holdco (2) Limited*	1,517,707
Takwa Holdco Limited*	5,621,135
Vladimer Gurgenidze*	94,594
Public Investment Corporation (SOC) Limited**	6,377,550
Justin Chola*	242,000

David Rogers**	33,978
Daniel Goss**	18,656
David Larry Greenberg*	34,394
Sean Van Wyk*	11,465
Mark Jonathan Tarlie*	34,394
Nicholas Lance Tarlie*	34,394
Alexander Management Services*Limited as trustee of the Picasso Moon Trust	8,111
Stephen Williamson**	60,609
Bayport Management Ltd	88,684
Manuel Carral***	147,570
Antonio Cortina***	191,128
Carlos Garcia***	58,800

The shareholders marked with “**” are parties to the shareholders’ agreement in respect of the Company as further described under section “Shareholders’ agreement etc.” below.

The shareholders marked with “***” holds shares issued under the LTIP as further described in section “Shareholders’ agreement etc.” below. The shareholders marked with “****” holds shares in process of being issued.

As mentioned above, the Company has several large shareholders. The shareholder base of the Company also consists of several other large shareholders, it is however not considered that these shareholders hold a significant premium. In addition, there are significant minority protection rights in the shareholders’ agreement which further limit the influence of these major shareholders.

To ensure that the control over the Company is not abused, the Company complies with the Companies Act as described in section “Governance”. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

Material agreements of the Group etc.

No Group company is party to any material agreement outside the ordinary course of business which could result in such company having a right or an obligation that could materially affect the Company’s ability to meet its obligations to the bondholders.

Disputes

The Company is not, and has not been, party to any legal or arbitration proceedings during the last 12 months which may have, or have had, significant effects on the Company’s or the Group’s financial condition or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

Documents available for inspection

The Company’s (i) articles of association, (ii) consolidated annual reports for the financial years 2017 and 2018, including the auditor’s reports for the financial years 2017 and 2018 for the Company and, where such annual reports have been prepared, for the Company’s subsidiaries and (iii) unaudited condensed consolidated financial statements for the period 1 January – 31 March 2018 and for the period 1 January – 31 March 2019 for the

Company and other published information referred to in this prospectus are available in hard copies for inspection during office hours at the Company's head office.

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which financial information has been published other than the issuance of the Bonds and that the Company will redeem its outstanding bond loans with ISIN SE0009723075 and ISIN SE0006451712 on 5 July 2019.

Sugaree Insurance Company Limited entered into a novation agreement with Guardrisk International Limited in February 2019 for the transfer of all rights. Obligations, duties and liabilities relating to the Colombian portion of the Company's cell for a consideration of USD 13,591,970. There was no impact on net asset value of the Company.

On 26 June 2019, the Company published a press release stating that the Company along with its shareholders are evaluating various strategic options with respect to the Company, which may include an initial public offering and that at this point in time, no decisions have been taken as to whether the Company or its shareholders will proceed with any such transaction.

Tendencies

As per the date of this Prospectus, the Company is not aware of any tendencies that, directly or indirectly, has materially affected or materially would affect the Company's operations during the current financial year.

Credit rating

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

Shareholders' agreements etc.

The major shareholders of the Company (as indicated by the table above under "*Share capital, shares and major shareholders*") are parties to a shareholders' agreement in respect of the Company which was entered into on 10 June 2015 and amended on 7 August 2018 (by way of an addendum agreement). This shareholders' agreement governs the on-going management and affairs of the Company, including, *e.g.*, the formation and procedures of the board of directors, appointment of the board of directors, shareholders' meetings, financing, exits and transfers of shares. In addition, the Company has implemented an executive remuneration policy that includes both a long-term incentive plan ("**LTIP**") and a short-term incentive plan ("**STIP**"). The LTIP takes the form of nil-cost share options and vest over five years with twenty-five (25.00) per cent. vesting on each of the second, third, fourth and fifth anniversaries of the award date on condition that the executive is still employed on that anniversary date. Non-vested share options are forfeited on termination of the executive's employment in the Group.

Except for the above-mentioned shareholders' agreement and the award agreements, and as far as the Company is aware, no other shareholders' agreements or other agreements exist between the present shareholders of the Company for the purpose of creating joint influence over the Company or changing the control of the Company.

9 Certain tax issues in Sweden

The following is a summary of certain tax issues that may arise as a result of acquiring, holding and selling the Bonds. The summary is based on Swedish tax legislation in force at the date of this prospectus. The summary does not cover all possible tax issues that may arise and is intended only as general information. As an example this summary does not cover any reporting requirements for a party paying interest. The summary also does not cover Bonds held by partnerships (Sw. handelsbolag) or defined as a current asset in a business activity. Furthermore this summary does not cover holdings via a capital insurance (Sw. kapitalförsäkring) or on investment savings accounts (Sw. investeringssparkonton) which are subject to a standardized taxation. Certain tax rules also apply to certain investors, such as investment companies, investment funds and insurance companies. The taxation of each investor depends on the specifics of such investor. Every investor in the Bonds should consult tax advisers in order to receive information on the specific tax issues in relation to its particular case, including the application and effects of foreign or other rules and tax treaties.

Holders of Bonds which are tax resident in Sweden

An individual is resident in Sweden for tax purposes if the individual (a) is domiciled in Sweden, (b) has a habitual abode in Sweden (e.g., continuously stays in Sweden for more than six months), or (c) has been domiciled in Sweden and maintains essential ties with Sweden after having moved abroad (e.g., has a family or a house in Sweden or is engaged in trade or business in Sweden). Corporations are generally considered resident in Sweden only if they are incorporated in Sweden under Swedish corporate law.

Payment of interest to bondholders tax resident in Sweden is generally subject to Swedish income tax. Bondholders tax resident in Sweden are also subject to Swedish income tax on capital gains in connection with any divestment of the Bonds. Early redemption or repayment of Bonds are from a tax perspective treated as a divestment. Redemption of the nominal value of the Bonds is not subject to Swedish income tax.

Swedish withholding tax is not applicable to repayment or payment of interest to bondholders resident in Sweden. However, if amounts that are considered to be interest in respect of the Bonds are paid to an individual (or an estate of a deceased person) that is a tax resident in Sweden, Swedish preliminary income tax (*Sw: preliminärskatt*) is normally withheld on such payments at a rate of thirty (30) per cent.

For individuals tax resident in Sweden, gains or losses on currency exchange rate fluctuations may arise in relation to the Bonds where the proceeds received are in a foreign currency. However, no special calculations are required if the proceeds are exchanged into SEK within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes. For corporations tax resident in Sweden, bonds in foreign currency should be valued at closing date rate at year end. A foreign exchange gain is taxable and a foreign exchange loss is tax deductible. Foreign exchange rate fluctuations that are treated as taxable/tax deductible may affect the acquisition cost of the Bonds.

Holders of Bonds which are non-resident in Sweden

Under Swedish tax law, payments of principal or any amount that is considered to be interest in respect of the Bonds are normally not subject to Swedish income tax, provided that the owners is neither a tax resident in Sweden nor engaged in a trade or business in Sweden through a permanent establishment to which the holding is attributable. The same applies to capital gains on disposal of Bonds. Owners of Bonds are not considered to be tax resident, domiciled or engaged in a trade or business in Sweden through a permanent establishment only because they are owning Bonds or receiving income on the Bonds.

There is no Swedish withholding tax on payments of principal or interest to an owner that is not tax resident in Sweden, neither is there any stamp duty or transfer tax.

10 Documents incorporated by reference

The accounting principles applied in the preparation of the Group's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ended 31 December 2017 and 31 December 2018 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretative notices from IFRS Interpretation Committee (IFRIC). The unaudited condensed consolidated financial statements for the period 1 January – 31 March 2018 and 1 January – 31 March 2019 have been prepared using accounting policies consistent with the IFRS and in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting.

The Company's annual reports for the financial years ended 31 December 2017 and 31 December 2018, which have been audited by the Company's auditor, as well as the unaudited condensed consolidated financial statements for the period 1 January – 31 March 2018 and 1 January – 31 March 2019 have been approved by the board of directors and have been incorporated in this Prospectus by reference. The auditor's reports for the financial years ended 31 December 2017 and 31 December 2018 have been incorporated through the annual report for the financial years ended 31 December 2017 and 31 December 2018 by reference.

In this Prospectus the following documents are – but only with respect to the sections listed in the table below – incorporated by reference. These documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page(s)
Financial information regarding the Group and its business for the financial year ended 31 December 2018	Bayport's consolidated annual report for financial year ended 31 December 2018	pp. 5–6 (Directors Report), p. 7-10 (Independent Auditors Report), p. 11 (Statements of Financial Position), p. 12 (Statements of Profit or Loss), p. 13 (Statement of Comprehensive Income), p. 14 (Statements of Changes in Equity), p. 15 (Statements of Cash Flows); and pp. 31-64 (Notes to the Group Annual Financial Statements).
Financial information regarding the Group and its business for the financial year ended 31 December 2017	Bayport's consolidated annual report for the financial year ended 31 December 2017	pp. 5–6 (Directors Report), p. 7-11 (Independent Auditors Report), p. 12 (Statements of Financial Position), p. 13 (Statements of Profit or Loss), p. 14 (Statement of Comprehensive Income), pp. 15-16 (Statements of Changes in Equity), p. 17 (Statements of Cash Flows); and pp. 31-67 (Notes to the Group Annual Financial Statements).
Financial information regarding the Group and its business for the period 1 January – 31 March 2019	Bayport's unaudited condensed consolidated financial statements for the period 1 January – 31 March 2019	p. 1 (Unaudited condensed consolidated statement of financial position), p. 2 (Unaudited condensed consolidated statement of profit or loss), p. 3 (Unaudited condensed consolidated statement of other comprehensive income), p. 4 (Unaudited condensed consolidated statement of changes in equity),

Financial information regarding the Group and its business for the period 1 January – 31 March 2018	Bayport’s unaudited condensed consolidated financial statements for the period 1 January – 31 March 2018	p. 5 (Unaudited condensed statement of cash flows), and pp. 6-9 (Notes to unaudited condensed consolidated financial statements). p. 1 (Unaudited condensed consolidated statement of financial position), p. 2 (Unaudited condensed consolidated statement of profit or loss), p. 3 (Unaudited condensed consolidated statement of profit and loss and other comprehensive income), p. 4 (Unaudited condensed consolidated statement of changes in equity), p. 5 (Unaudited condensed statement of cash flows), and pp. 6-9 (Notes to unaudited condensed consolidated financial statements).
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Investors should read all information which is incorporated by reference as part of this Prospectus. It should be noted that the non-incorporated parts of the financial reports are either not relevant for the investor or covered elsewhere in the Prospectus. All of the above documents will, during the validity period of the Prospectus, be available in electronic form at the Group’s website, www.bayportfinance.com/investor-relations/nasdaq-omx-reporting/reports/.

11 Terms and Conditions

**TERMS AND CONDITIONS FOR
BAYPORT MANAGEMENT LTD
MAXIMUM USD 400,000,000
SENIOR UNSECURED CALLABLE FIXED RATE SOCIAL
BONDS 2019/2022
ISIN: NO0010856180**

First Issue Date: 14 June 2019

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

**TERMS AND CONDITIONS FOR
BAYPORT MANAGEMENT LTD
MAXIMUM USD 400,000,000
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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator and through which a Holder has opened a Securities Account in respect of its Bonds.

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

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

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

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

“**Agent Agreement**” means the fee agreement entered into before the First Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the First Issue Date between the Issuer and an Agent.

“**Bond**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount issued by the Issuer under these Terms and Conditions, including any Subsequent Bonds.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays on which the relevant CSD settlement system is open, and the relevant Bond currency settlement system is open.

“**Business Day Convention**” means the first following day that is a Business Day.

“**Call Option Amount**” means:

- (a) if the call option is exercised before the First Call Date; (A) 105.75 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date plus (B) the remaining interest payments (excluding accrued but unpaid interest up to the relevant redemption date) up to and including the First Call Date;
- (b) 105.75 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but not including) the date falling twenty-four (24) months after the First Issue Date;
- (c) 103.80 per cent. of the Nominal Amount if the call option is exercised on or after the date falling twenty-four (24) months after the First Issue Date up to (but not including) the date falling thirty (30) months after the First Issue Date;
- (d) 101.44 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but not including) the Final Redemption Date; and
- (e) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but not including) the Final Redemption Date, provided that such early redemption is financed, partly or fully by way of the Issuer issuing Market Loan(s).

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than fifty (50.00) per. cent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, duly signed by an authorised signatory of the Issuer, certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and:

- (a) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met and including calculations and figures in respect of the Tangible Capital Ratio and the ratio of Net Interest Bearing Debt to Loan Book, and
- (b) if provided in connection with a Covenant Remedy, the certificate shall include relevant information and figures in respect of such Covenant Remedy and any Permitted Reorganisation causing such Covenant Remedy to be made.

“**Covenant Remedy**” means any remedying action undertaken pursuant to Clause 13.8 (*Rewinding and covenant remedies of Permitted Reorganisations*).

“**CSD**” means the securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS) in Norway.

“**Event of Default**” means an event or circumstance specified in Clause 14.

“**Equity Claw Back**” has the meaning set forth in Clause 11.4.

“**Equity Listing Event**” means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a recognised regulated or unregulated market place.

“**Existing Bonds**” means the Issuer’s (i) SEK 1,100,000,000 outstanding senior unsecured bonds 2017/2019 with ISIN SE0009723075 and (ii) SEK 800,000,000 outstanding subordinated bonds 2014/2019 with ISIN SE0006451712.

“**Final Redemption Date**” means 14 June 2022.

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount payable under any contractual earn-out payments relating to acquisitions made by the Group regardless of how such earn-out payments are accounted for in the Accounting Principles; and
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a) to (g).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, or the quarterly or half-yearly interim unaudited consolidated reports of the Group which shall be prepared and made available according to Clause 13.11.1 (a), (b) and/or (c) (as applicable).

“**First Call Date**” means the date falling eighteen (18) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 14 June 2019.

“**Force Majeure Event**” has the meaning set forth in Clause 26.1.

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

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Incurrence Test**” means the ratios specified in Clause 12 (*Incurrence Test*).

“**Initial Bond**” means any Bond issued on the First Issue Date.

“**Initial Bond Issue**” has the meaning set forth in Clause 2.1.

“**Initial Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

“**Intangible Assets**” means the consolidated aggregate book value of the Group’s total Intangible Assets in terms of IAS 38 Intangible Assets according to the latest Financial Report, excluding those relating to insurance contracts, but including goodwill.

“**Interest Payment Date**” means 14 June and 14 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 16 December 2019 after the application of the Business Day Convention and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)).

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

“**Interest Rate**” means a fixed rate of 11.50 per cent. *per annum*.

“**Issue Date**” means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions, as agreed between the Managers and the Issuer.

“**Issuer**” means Bayport Management Ltd, reg. no. 54787 C1/GBL, c/o DTOS Ltd, 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Mauritius.

“**Loan Book**” means the aggregate net advances (*i.e.*, book value of lending to customers) of the Subsidiaries according to the latest consolidated Financial Report.

“**Managers**” means DNB Markets, a part of DNB Bank ASA, filial Sverige, reg. no. 516406-0161, Regeringsgatan 59, SE-105 88 Stockholm, Sweden, ABG Sundal Collier AB, reg. no. 556538-8674, Regeringsgatan 65, P.O. Box 7269, SE-103 89 Stockholm, Sweden and Absa Bank Ltd, reg. no. 1986/004794/06, 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001, PO Box 7735, Johannesburg, 2000, South Africa.

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial papers, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided in each case that such instruments and securities are or can be subject to trade on Nasdaq Stockholm or any other Regulated Market or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**Material Group Company**” means each of (i) the Issuer and (ii) each Subsidiary representing more than ten (10.00) per cent. of the consolidated aggregate book value of the Group’s total assets according to the latest consolidated Financial Report.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm.

“**Nasdaq Stockholm Sustainable Bond List**” means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden for sustainable bonds.

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (excluding any interest bearing debt borrowed from any Group Company), less cash and cash equivalents of the Subsidiaries according to the latest consolidated Financial Report or per the relevant testing date (as applicable), in accordance with the Accounting Principles.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which, after deduction has been made for the Transaction Costs payable by the Issuer to the Paying Agent and/or the Mangers for the services provided in relation to the placement and issuance of the Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of Net Proceeds*).

“**Nominal Amount**” means the Initial Nominal Amount, less the aggregate amount by which each Bond has been partially redeemed, if any, pursuant to Clause 11.4 (*Equity Claw Back*), or any other amount following a split of Bonds pursuant to Clause 20.2.10.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD; initially DNB Bank ASA, reg. no. 984 851 006, P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

“**Payment Date**” means any Interest Payment Date or any Redemption Date.

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Bonds (excluding Subsequent Bonds);
- (b) incurred under the Existing Bonds, provided that the relevant Existing Bonds are redeemed in accordance with the Clause 4 (*Use of Net Proceeds*) (as applicable);
- (c) related to any agreements under which a Group Company leases office space (*Sw. kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (d) taken up from a Group Company;
- (e) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) arising under any interest rate hedging transactions in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (g) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met (calculated *pro forma* including the acquired entity's Financial Indebtedness in question) and provided that such Financial Indebtedness constitutes Permitted Debt or is refinanced with Permitted Debt within ninety (90) calendar days from closing of the acquisition;
- (h) arising under any contractual non-interest bearing earn-out payments relating to acquisitions made by the Group regardless of how such earn-out payments are accounted for in the Accounting Principles;
- (i) incurred in the ordinary course of business under Advance Purchase Agreements;
- (j) incurred by the Issuer if such Financial Indebtedness (i) is unsecured, (ii) meets the Incurrence Test (calculated *pro forma* including such incurrence) and (iii) no Event of Default is

continuing or would result from (A) the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing) or (B) such incurrence;

- (k) incurred by a Subsidiary if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence) and (ii) no Event of Default is continuing or would result from (A) the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing) or (B) such incurrence;
- (l) incurred by the Issuer for the purpose of refinancing the Bonds in full provided that the net proceeds of such Financial Indebtedness shall be kept on an escrow account until such refinancing shall be made; or
- (m) not permitted by items (a) to (l) above, in an aggregate amount not at any time exceeding USD 10,000,000 and incurred in the ordinary course of the Group's business, including any financial leases (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

"**Permitted Guarantee**" means any guarantee provided by the Issuer in relation to a newly founded or acquired Subsidiary during a period of thirty-six (36) months from the date when such Subsidiary was founded or acquired and provided that the aggregate amount of any and all such guarantees in relation to all Subsidiaries does not exceed an amount equal to ten (10.00) per cent. of the consolidated aggregate book value of the Group's total assets (excluding any Intangible Assets) according to the latest consolidated Financial Report.

"**Permitted Reorganisation**" means any reorganisation, split, spin-off, amalgamation, merger, consolidation, combination, dissolution or corporate reconstruction, sale or other disposal (for the purposes of this definition, each a reorganisation) of shares or assets in any Group Company other than shares in the Issuer, with, into or to a company which is not a Group Company, provided that each such reorganisation (i) is carried out in contemplation of an Equity Listing Event, (ii) is made subject always to applicable laws and (iii) does not have a Material Adverse Effect, and provided that all such reorganisations in aggregate do not represent more than ten (10.00) per cent. of the consolidated aggregate book value of the Group's total assets according to the latest consolidated Financial Report.

"**Permitted Security**" means any guarantee or security:

- (a) provided in relation to any lease agreement entered into by a Group Company as set out in item (c) of the definition Permitted Debt;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (d) provided in relation to item (e) of the definition Permitted Debt and provided for interest rate hedging transactions set out in item (f) of the definition Permitted Debt;
- (e) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity has provided security, provided that such security constitutes Permitted Security or is replaced with Permitted Security within ninety (90) calendar days from closing of the acquisition;

- (f) constituting a Permitted Guarantee;
- (g) provided by a Subsidiary in relation to its Financial Indebtedness referred to in item (k) of the definition Permitted Debt;
- (h) (i) provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds in full are intended to be received or (ii) agreed to be provided for the benefit of the financing providers in relation to a refinancing of the Bonds in full, provided that any perfection requirements in relation thereto are satisfied only after repayment of the Bonds in full; or
- (i) provided in relation to the Permitted Basket and not consisting of security interest in shares of any Group Company or, if provided in relation to financial leasing arrangements, is granted only in the leased asset in question.

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

“**Record Date**” means the date on which a Holder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decision by Holders*), the date falling on the immediate preceding Business Day to the date of that Holders’ decision being made, or another relevant date as accepted by the Agent in accordance with these Terms and Conditions.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

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

“**Relevant Jurisdiction**” means the country in which the Bonds are registered, being Norway.

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Clause 13.1 (*Distributions*).

“**Securities Account**” means the account for dematerialised securities maintained by the CSD 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.

“**Social Bond Framework**” means the social bond framework of the Group as at the First Issue Date.

“**Subordinated Debt**” means any loan incurred by any Group Company, if such loan (i) according to its terms and pursuant to a subordination agreement entered into between the relevant creditor and the Agent, is subordinated to the obligations of the Issuer under these Terms and Conditions and (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) has the power to appoint and remove all, or the majority of,

the members of the board of directors or other governing body or (iii) exercises control as determined in accordance with the Accounting Principles.

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

“**Subsequent Bond Issue**” has the meaning set forth in Clause 2.5.

“**Tangible Capital Ratio**” means the ratio of (i) the consolidated equity of the Group excluding any Intangible Assets and including any Subordinated Debt to (ii) the consolidated aggregate book value of the Group’s total assets (excluding any Intangible Assets) less cash, cash equivalents and IFRS 16 Lease Assets, in each case according to the latest consolidated Financial Report.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer in connection with the Initial Bond Issue or a Subsequent Bond Issue and the admission to trading of the Bonds on Nasdaq Stockholm Sustainable Bond List or any other Regulated Market.

“**USD**” means the lawful currency of the United States.

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 18 (*Written Procedure*).

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) any accounting rule is a reference to that accounting rule as adopted, supplemented, amended or replaced from time to time;
- (d) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (e) a provision of law is a reference to that provision as amended or re-enacted; and
- (f) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in USD 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 USD for the previous Business Day as reported by Bloomberg on its website. If no such rate is available, the most recently published rate shall be used instead.

1.2.4 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.

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

2.1 The aggregate amount of the bond loan will be an amount of up to USD 400,000,000 which will be represented by Bonds, each of an initial nominal amount of USD 100,000 or full multiples thereof

(the “**Initial Nominal Amount**”). The total nominal amount of the Initial Bonds is USD 260,000,000 (the “**Initial Bond Issue**”).

- 2.2 All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.3 The ISIN for the Bonds is NO0010856180.
- 2.4 The minimum permissible investment in the Initial Bond Issue and any Subsequent Bond Issue is USD 200,000.
- 2.5 Provided that the Equity Claw Back has not been exercised, the Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals USD 400,000,000, in each case provided that:
- (a) the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue); and
 - (b) no Event of Default is continuing or would result from (i) the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing or (ii) the Subsequent Bond Issue.
- 2.6 Any Subsequent Bonds shall be issued subject to these Terms and Conditions and for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Redemption Date applicable to the Initial Bonds shall also apply to the Subsequent Bonds. The price of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a higher price than the Nominal Amount.
- 2.7 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.8 The Bonds are denominated in USD and each Bond is constituted by these Terms and Conditions.
- 2.9 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

4. USE OF PROCEEDS

- 4.1 The Net Proceeds shall be used in accordance with the Social Bond Framework.
- 4.2 The Net Proceeds from the Initial Bond Issue shall be used to:
- (a) firstly redeem the Existing Bonds with ISIN SE0009723075 in full (including accrued interest and any prepayment premium) and thereafter to;
 - (b) finance general corporate purposes of the Group, including investments and acquisitions, and/or redeem the Existing Bonds with ISIN SE0006451712 in full (including accrued interest and any prepayment premium).
- 4.3 The Net Proceeds from any Subsequent Bond Issue shall be used to finance the purposes set out in Clause 4.2 (b) above.

5. CONDITIONS PRECEDENT

5.1 The Issuer shall provide to the Agent, prior to the First Issue Date, the following:

- (a) copy of a corporate resolution and/or authorisation by the Issuer approving the Initial Bond Issue, the terms of these Terms and Conditions and resolving to enter into such documents and any other documents necessary in connection therewith;
- (b) these Terms and Conditions and the Agent Agreement duly executed by the Issuer;
- (c) copies of the constitutional documents of the Issuer;
- (d) copy of a legal opinion issued by the Issuer's Mauritian legal counsel addressed to the Agent and the Managers as regards capacity, authorisation, due execution, validity and enforceability;
- (e) copy of a form Compliance Certificate; and
- (f) copy of duly issued irrevocable call notice for the redemption of the Existing Bonds with ISIN SE0009723075 and, if possible taken into consideration the volume issued in the Initial Bond Issue, ISIN SE0006451712, in full, conditional only upon settlement of the Bond Issue.

5.2 The Issuer shall provide to the Agent, prior to the Issue Date, in respect of Subsequent Bonds, the following.

- (a) copy of a corporate resolution and/or authorisation by the Issuer approving the Subsequent Bond Issue and resolving to enter into such documents and any other documents necessary in connection therewith;
- (b) a Compliance Certificate from the Issuer; and
- (c) such other documents and evidence as is agreed between the Agent and the Issuer.

5.3 The Agent shall promptly confirm to the Paying Agent and the Managers when it is satisfied that the conditions in Clause 5.1 or 5.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Paying Agent and the Managers prior to the relevant Issue Date, or (ii) if the Paying Agent, the Managers and the Issuer agree to postpone the relevant Issue Date.

5.4 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 5.1 or 5.2, as the case may be, is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation or evidence. The Agent does not have any obligation to review the documentation and evidence set out in this Clause 5 from a legal or commercial perspective of the Holders.

5.5 Following receipt by the Paying Agent and the Managers of the confirmation in accordance with Clause 5.3, the Paying Agent shall settle the issuance of the Initial Bonds and the Managers shall pay the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Paying Agent and the Managers of the confirmation in accordance with Clause 5.3, the Paying Agent shall settle the issuance of any Subsequent Bonds and the Managers shall pay the Net Proceeds to the Issuer on the relevant Issue Date.

6. THE BONDS AND TRANSFERABILITY

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 Certain purchase or selling restrictions may apply to Holders under applicable local laws and regulations from time to time. Neither the Issuer nor the Agent shall be responsible to ensure compliance with such laws and regulations and each Holder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- 6.6 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Issuer is under no obligation to arrange for registration of the Bonds under the Securities Act or under any other law or regulation.
- 6.7 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

7. REGISTRATION OF THE BONDS

- 7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the applicable laws for the CSD. Registration requests relating to the Bonds shall be directed to an Account Operator. The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation.
- 7.2 The Bonds have not been registered under any other country’s legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.
- 7.3 The Agent shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. For the purpose of carrying out any administrative procedure that arises out of these Terms and Conditions, the Paying Agent shall in accordance with applicable law be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- 7.4 The Agent and the Paying Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A HOLDER

- 8.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder.
- 8.3 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 Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

9. PAYMENTS IN RESPECT OF THE BONDS

- 9.1 The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Agent and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Terms and Conditions.
- 9.2 Payment constituting good discharge of the Issuer's payment obligations to the Holders under these Terms and Conditions will be deemed to have been made to each Holder once the amount has been credited to the bank holding the bank account nominated by the Holder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Holder in question.
- 9.3 If a Payment Date or a date for other payments to the Holders pursuant to these Terms and Conditions falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant these Terms and Conditions.
- 9.4 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.5 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.6 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.
- 9.7 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payment made in relation thereto shall be made in accordance with, the rules and procedures of the CSD.

9.8 All amounts payable under these Terms and Conditions shall be payable in the denomination of the Bonds set out in Clause 2.1. If, however, the denomination differs from the currency of the bank account connected to the Holder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.

9.9 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Holder's account in the CSD must be provided by the relevant Holder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Holder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

10. INTEREST

10.1 The Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, and including, the First Issue Date up to and excluding the relevant Redemption Date. Any Subsequent Bond will however carry Interest at the Interest Rate from, but including, the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to and excluding the relevant Redemption Date.

10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made semi-annually in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.

10.3 Interest shall be calculated on the basis of a three hundred sixty (360-day) year comprised of twelve (12) months of thirty (30) days each, 30/360-days basis (unadjusted), unless:

(a) the last day in the relevant Interest Period is the 31st calendar day but the first day of that Interest Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be shortened to a 30-day month; or

(b) the last day of the relevant Interest Period is the last calendar day in February, in which case February shall not be lengthened to a 30-day month.

10.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from and including the due date up to but excluding the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

11. REDEMPTION AND REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day, on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

11.2 **The Group Companies' purchase of Bonds**

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

11.3 **Early voluntary redemption by the Issuer (call option)**

11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date. The Bonds shall be redeemed at the applicable Call Option Amount together with accrued but unpaid Interest.

11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts on the specified Redemption Date.

11.4 **Equity Claw Back**

11.4.1 The Issuer may at one occasion, in connection with an Equity Listing Event, redeem up to thirty-five (35.00) per cent. of the aggregate Nominal Amount of Bonds *pro rata* among the Holders through the procedures of the CSD.

11.4.2 The redemption must occur on an Interest Payment Date within one hundred and eighty (180) calendar days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such Equity Listing Event and net of taxes paid or payable as a result of such Equity Listing Event).

11.4.3 The Issuer shall not give less than twenty (20) Business Days' notice of the repayment to the Agent and the Holders and the repayment price per Bond shall equal the repaid percentage of the Nominal Amount plus a premium on the repaid amount equal to one hundred and two (102.00) per cent. of the redeemed Nominal Amount. Any accrued and unpaid Interest on the Bonds being redeemed shall be paid together with principal on the date of such redemption, provided that such Interest shall not be included in the calculation of the amount of Bonds the Issuer is permitted to redeem in accordance with this provision.

11.5 **Mandatory repurchase due to a Change of Control Event (put option)**

11.5.1 Upon a Change of Control Event occurring, each Holder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 13.11 (f). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.

11.5.2 The notice from the Issuer pursuant to Clause 13.11 (f) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer

pursuant to Clause 13.11 (f). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.5.1.

- 11.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.
- 11.5.4 Any Bonds repurchased by the Issuer pursuant to this Clause 11.5 may at the Issuer's discretion be disposed of in accordance with Clause 11.2 (*The Group Companies' purchase of Bonds*).
- 11.5.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event, offers to purchase the Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Holders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

12. INCURRENCE TEST

- 12.1 The Incurrence Test is met if:
- (a) the Tangible Capital Ratio exceeds 0.15:1.00; and
 - (b) the ratio of Net Interest Bearing Debt to Loan Book is lower than 0.85:1.00.
- 12.2 The Incurrence Test shall always be applied in connection with the payment of a Restricted Payment or the incurrence of Financial Indebtedness which requires that the Incurrence Test is met (as applicable), until and including the Final Redemption Date, and be reported to the Agent in a Compliance Certificate to be issued in connection with such payment or incurrence (as applicable). However, in relation to incurrence of Financial Indebtedness referred to in item (k) of the definition Permitted Debt, the Incurrence Test shall be reported to the Agent (i) quarterly, per 31 March, 30 June, 30 September or 31 December each year if reported prior to an Equity Listing Event or (ii) half-yearly, per 30 June or 31 December each year if reported post an Equity Listing Event, as the case may be, on the basis of the interim consolidated Financial Report for the period covered by the relevant reference date, in a Compliance Certificate to be issued in connection therewith. Furthermore, the Incurrence Test shall be tested in connection with any Covenant Remedy and be reported to the Agent in a Compliance Certificate to be issued in connection therewith.
- 12.3 The calculation of the Incurrence Test shall be made as per a testing date determined by the Issuer, falling no more than two (2) months prior to the payment of the Restricted Payment, the incurrence of the new Financial Indebtedness or the Covenant Remedy, and shall include the Restricted Payment, the new Financial Indebtedness or the Covenant Remedy *pro forma* (as applicable) (however, any cash balance resulting from the incurrence of new Financial Indebtedness (other than pursuant to a Covenant Remedy) shall not be considered).
- 12.4 The figures for calculating the Tangible Capital Ratio and Loan Book for the Relevant Period ending on the last day of the period covered by the latest consolidated Financial Report shall be used for the Incurrence Test, but adjusted so that (as applicable):
- (a) any Bond that has been repurchased, and not resold, by any Group Company during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Relevant Period;

- (b) subject to Clause 12.4 (c), entities, assets or operations acquired, disposed of or discontinued by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period;
- (c) entities, assets or operations disposed of or discontinued by the Group as a result of a Permitted Reorganisation during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included, *pro forma*, for the entire Relevant Period (for the avoidance of doubt, adjustments pursuant to this Clause 12.4 (c) shall not be made if the Incurrence Test is tested in relation to a Covenant Remedy);
- (d) any entity, asset or operation to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period; and
- (e) all Financial Indebtedness incurred under the Initial Bond Issue and any previous Subsequent Bond Issues shall be included *pro forma* for the entire Relevant Period.

13. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 13.

13.1 Distributions

13.1.1 Subject to Clause 13.1.2 below, The Issuer shall not, and shall ensure that none of the Subsidiaries:

- (a) pay any dividend on shares;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any shareholder loans (for the avoidance of doubt, a Market Loan is not considered to be a shareholder loan even if a shareholder is one of the creditors); or
- (e) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders.

Items (a)–(e) above are together and individually referred to as a “**Restricted Payment**”.

13.1.2 Notwithstanding Clause 13.1.1 above, any Restricted Payment can be made, if such Restricted Payment (i) is permitted by law, (ii) no Event of Default is continuing or would result from such Restricted Payment, and (iii) it is made by:

- (A) any Group Company, provided that such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (B) any Group Company, provided that such Restricted Payment constitutes a Permitted Reorganisation;
- (C) the Issuer, provided that the payment is made in relation to the establishment of any share related employment incentive scheme or management incentive scheme if the aggregate amount outstanding under such schemes (including the employment or management incentive scheme in question) does not exceed five (5.00) per cent. of the outstanding share capital of the Issuer; or

(D) the Issuer, provided that (i) the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met and (ii) the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (A) above) does not exceed fifty (50.00) per cent. of the Group's consolidated net profit after tax according to the annual audited financial statements for the previous financial year.

13.2 **Admission to trading of the Bonds**

13.3 The Issuer shall (i) ensure that the Bonds issued in the Initial Bond Issue are admitted to trading on Nasdaq Stockholm Sustainable Bond List or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within twelve (12) months after the First Issue Date, (ii) provided that the Bonds issued in the Initial Bond Issue have been admitted to trading, the Issuer shall take all measures required to ensure that the Bonds continue being admitted to trading on the relevant Regulated Market for as long as any Bond is outstanding (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 Bonds in close connection to the redemption of the Bonds) and (iii) that, upon any Subsequent Bond Issue, (provided that the Initial Bonds have been admitted to trading) the volume of Bonds admitted to trading on the relevant Regulated Market promptly, and not later than twenty (20) Business Days after the relevant Issue Date, is increased accordingly.

13.4 **Financial Indebtedness**

The Issuer shall not, and shall procure that that none of the Subsidiaries will, incur any new Financial Indebtedness, or maintain or prolong any existing Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain and prolong Financial Indebtedness which constitute Permitted Debt.

13.5 **Negative pledge**

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

13.6 **Nature of business**

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

13.7 **Disposals of assets**

The Issuer shall not, and shall ensure that none of the Material Group Companies, sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (i) constitutes a Permitted Reorganisation or (ii) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably) in accordance with Clause 13.11.2.

13.8 **Rewinding and covenant remedies of Permitted Reorganisations**

13.8.1 The Issuer shall procure that any effect on covenant levels in the Incurrence Test (for the purpose of this Clause 13.8, calculated without any *pro forma* adjustments pursuant to Clause 12.4 (c)), brought about as a consequence of any Permitted Reorganisation, are remedied within six (6) months after the effective date of the first Permitted Reorganisation, through one or more of the following actions:

- (a) by rewinding such Permitted Reorganisation whereby the value of the assets or interests subject to the Permitted Reorganisation are transferred back to the Group in cash or in kind; and/or
- (b) by procuring a capital injection to the Group from a Person not being a Group Company by way of injection of unrestricted equity in cash,

to such extent that after such actions, the Incurrence Test is met.

13.8.2 The Issuer shall further procure that any impact on the Incurrence Test not remedied by Clause 13.8.1 (a) and/or (b), is remedied, within the same time limit as set out in Clause 13.8.1, by procuring a capital injection to the Group from a person not being a Group Company by way of injection of (i) hybrid loan capital treated as equity in accordance with the Accounting Principles and/or (ii) tier 2 capital as defined in the relevant Basel Accord (Basel III) and/or (iii) Subordinated Debt and/or (iv) as otherwise set out in Clause 13.8.1 (a) and (b).

13.9 **Dealings with related parties**

The Issuer shall, and shall ensure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders, at arm's length terms.

13.10 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries,

- (a) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm Sustainable Bond List or any other Regulated Market on which the Issuer's securities from time to time are listed or admitted to trading, and
- (b) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

13.11 **Financial reporting etcetera**

13.11.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than four (4) months after the expiry of each financial year;
- (b) prior to an Equity Listing Event, prepare and make available the quarterly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and semi-annual management commentary or report from the Issuer's board of directors, on its website not later than two (2) months after the expiry of each relevant interim period;

- (c) post an Equity Listing Event, prepare and make available the half-yearly interim unaudited consolidated reports of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than two (2) months after the expiry of each relevant interim period;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (e) issue a Compliance Certificate to the Agent (i) in accordance with Clause 12 (*Incurrence Test*) and (ii) at the Agent's request, within twenty (20) calendar days from such request;
- (f) promptly notify (i) the Agent and the Holders upon becoming aware of the occurrence of a Change of Control Event and (ii) the Agent upon becoming aware of the occurrence of an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (g) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm Sustainable Bond List or any other Regulated Market (as applicable) and (if applicable) the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (each as amended from time to time).

13.11.2 The Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to a transaction referred to in Clause 13.7 (*Disposals of assets*) which the Agent deems necessary (acting reasonably) and, if relevant, (ii) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

13.11.3 The Issuer is only obliged to inform the Agent according to Clause 13.11.1 (f) if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed. If such a conflict would exist pursuant to such listing contract or otherwise, the Issuer shall however be obliged to either seek the approval from the relevant marketplace or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 13.11.1 (f).

13.12 **Agent Agreement**

13.12.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

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

13.13 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

14. **TERMINATION OF THE BONDS**

14.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 14.6 or 14.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days from the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under item (a) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross payment default/Cross-acceleration:**
 - (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) under any document relating to Financial Indebtedness of any Group Company; or
 - (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,
- (a) provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to USD 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;

- (e) **Insolvency proceedings:** Any corporate action, bankruptcy, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or company reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;
 - (f) **Mergers and demergers:**
 - (i) Any decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the decision of such merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
 - (ii) the Issuer merges with any other Person with the effect that the Issuer is not the surviving entity, or is subject to a demerger;
 - (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding USD 10,000,000 and is not discharged within thirty (30) calendar days;
 - (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
 - (i) **Continuation of the business:** The Issuer or any Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in Clause 14.1 (f) (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 13.7 (*Disposals of assets*).
- 14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 14.1 (d) (*Insolvency*).
- 14.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 14.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does

not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.

- 14.5 The Issuer is only obliged to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm Sustainable Bond List or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed. If such a conflict would exist pursuant to such listing contract or otherwise, the Issuer shall however be obliged to either seek the approval from the relevant marketplace or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 14.4.
- 14.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated.
- 14.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).
- 14.10 If the Bonds are declared due and payable in accordance with this Clause 14, the Issuer shall redeem all Bonds together with a premium on the due at the payable amount set forth in the definition Call Option Amount for the relevant period, or of the Bonds are accelerated before the First Call Date, as set forth in item (b) of the definition Call Option Amount, plus any accrued but unpaid Interest.

15. DISTRIBUTION OF PROCEEDS

- 15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the

acceleration of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

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

- 15.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

16. DECISIONS BY HOLDERS

- 16.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 16.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders 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.

- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 16.5 The following matters shall require the consent of Holders representing at least three quarters (3/4) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
 - (b) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (c) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
 - (d) a mandatory exchange of Bonds for other securities; or
 - (e) amend the provisions in this Clause 16.5 or Clause 16.6.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 19.1 (a), (b) or (c)) or a termination of the Bonds.
- 16.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in respect of matters set out in Clause 16.5 above and at least twenty (20.00) per cent. of the Adjusted Nominal Amount in respect of matters set out in Clause 16.6 above:
- (a) if at a Holders' 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.
- 16.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.9 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 these Terms and Conditions and the Agent Agreement shall be subject to the Issuer's or the Agent's consent, as appropriate.

- 16.10 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders 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 Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

17. HOLDERS' MEETING

- 17.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 17.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

- 17.5 If the Agent has not convened a Holders' Meeting within five (5) Business Days after having received a valid request for convening a Holders' Meeting pursuant to this Clause 17, then the requesting Person may convene the Holders' Meeting itself.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.
- 18. WRITTEN PROCEDURE**
- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(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 Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (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 Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (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 Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. AMENDMENTS AND WAIVERS

- 19.1 The Issuer and the Agent (acting on behalf of the Holders) may agree in writing to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by any applicable regulation, a court ruling or a decision by a relevant authority;
 - (c) such amendment or waiver is necessary for the purpose of having the Bonds admitted to trading on Nasdaq Stockholm Sustainable Bond List (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
 - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).
- 19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 19.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 19.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

20. APPOINTMENT AND REPLACEMENT OF THE AGENT

20.1 Appointment of Agent

- 20.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and these 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 Bonds held by such Holder, including the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions and the Agent Agreement.

- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions and the Agent Agreement are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 20.2 **Duties of the Agent**
- 20.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 20.2.2 The Agent may assume that the documentation, information and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Holders.
- 20.2.3 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 20.2.4 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.5 The Agent is always entitled to delegate its duties to other professional parties without having to first obtain any consent from the Issuer or the Holders, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 20.2.6 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders 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 these Terms and Conditions and the Agent Agreement.
- 20.2.7 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 20.2.8 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by

the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

- 20.2.9 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 20.2.10 The Agent may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.
- 20.2.11 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of these Terms and Conditions, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 20.2.12 Notwithstanding any other provision of these 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.
- 20.2.13 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Holders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders or any other person.
- 20.2.14 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 Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 20.2.15 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 20.2.14.

20.3 **Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts 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 Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 20.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*) or a demand by Holders given pursuant to Clause 14.1.

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

20.3.6 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer.

20.4 **Replacement of the Agent**

20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

20.4.2 Subject to Clause 20.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

20.4.3 A Holder (or Holders) representing at least ten (10.00) 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

20.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar 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 Holders, 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.

20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions and the Agent Agreement.

20.4.6 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.

20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these 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 Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.

20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agent 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.

21. APPOINTMENT AND REPLACEMENT OF THE PAYING AGENT

- 21.1 The Issuer appoints the Paying Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 21.2 The Paying Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent or becomes subject to bankruptcy proceedings, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.
- 21.3 The Paying Agent will not be liable to the Holders for damage or loss caused by any 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 Paying Agent shall never be responsible for indirect or consequential loss.

22. APPOINTMENT AND REPLACEMENT OF THE CSD

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on Nasdaq Stockholm Sustainable Bond List (or any other Regulated Market).

23. NO DIRECT ACTIONS BY HOLDERS

- 23.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Holders in accordance with these 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 Holder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 20.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.15 before a Holder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

24. TIME-BAR

- 24.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding

any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

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

25. NOTICES AND PRESS RELEASES

25.1 Notices

- 25.1.1 Written notices to the Holders made by the Agent will be sent to the Holders via the CSD with a copy to the Issuer and the applicable Regulated Market (if the Bonds are admitted to trading). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Holders will be sent to the Holders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market (if the Bonds are admitted to trading).
- (b) Notwithstanding Clause 25.1.1 (a) and provided that such written notification does not require the Holders to take any action under these Terms and Conditions, the Issuer's written notifications to the Holders may be published by the Agent on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Terms and Conditions between the Agent and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received;
 - (iii) if by fax, when received; and
 - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

25.2 **Press releases**

25.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3, 11.4, 11.5, 13.11 (f), 14.6, 15.4, 16.15, 17.1, 18.1, 19.3, 20.2.15 and 20.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Holders 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 Holders 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 Holders, the Agent shall be entitled to issue such press release.

26. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

26.1 Neither the Agent nor the Paying 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 Paying Agent itself takes such measures, or is subject to such measures.

26.2 The Paying Agent shall have no liability to the Holders if it has observed reasonable care. The Paying Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

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

26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

27. **ADMISSION TO TRADING**

The Issuer will use its best efforts to ensure that the Initial Bonds are admitted to trading on Nasdaq Stockholm Sustainable Bond List or any other Regulated Market within thirty (30) calendar days and not later than sixty (60) calendar days from the First Issue Date.

28. **GOVERNING LAW AND JURISDICTION**

28.1 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.

28.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 28.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

28.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

12 Addresses

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