

This prospectus was approved by the Swedish Financial Supervision Authority on 19 May 2017.



**JSM FINANCIAL GROUP AB (publ)**

**Prospectus regarding admission to trading on a Regulated Market of**

**up to SEK 800,000,000 Unsecured Floating Rate Notes**

**ISIN: SE0009805500**

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*Arranger*



## IMPORTANT INFORMATION

Words and expressions defined in the Terms and Conditions beginning on page 23 have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated or the context requires otherwise.

In this Prospectus, the “**Issuer**” means JSM Financial Group AB (publ) or, depending on the context, the group in which JSM Financial Group AB (publ) presently is a parent company. The “**Group**” means the Issuer with its Subsidiaries from time to time (each a “**Group Company**”). The “**Arranger**” means Arctic Securities AS, Filial Sverige. “**Euroclear Sweden**” means Euroclear Sweden AB. “**SEK**” refers to Swedish kronor.

### Notice to investors

On 19 April 2017 (the “**First Issue Date**”) the Issuer issued a note loan of SEK 650,000,000. The nominal amount of each initial note is SEK one million (the “**Nominal Amount**”) (the “**Initial Notes**”). The Issuer may at one or several occasions issue subsequent notes (the “**Subsequent Notes**” and together with the Initial Notes, the “**Notes**”). The maximum nominal amount of the Notes may not exceed SEK 800,000,000 unless a consent from the Noteholders is obtained pursuant to the Terms and Conditions. This Prospectus has been prepared for the listing of the Notes on a Regulated Market. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

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

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this document or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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## RISK FACTORS

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*Risk and risk-taking are inevitable parts of investing in the Notes. There are risks both regarding circumstances linked to the Issuer and those which bear no specific relation to the Issuer. In addition to the other information in this Prospectus as well as a general evaluation of external factors, investors should carefully consider the following risk factors before making any investment decision. The occurrence of any of the events discussed below could adversely affect the Issuer's and/or the Group's operations, financial position and results of operations. Moreover, the trading price of the Notes could decline and the Issuer may not be able to pay Interest or principal on Notes when due, and investors could lose all or part of their investment. The risks described below are not the only ones the Issuer and the Group is exposed to. Additional risks that are not currently known to, or identified as risks by, the Issuer could have an adverse effect on the Issuer's and or the Group's business and the Issuer's ability to fulfil its obligations under the Notes. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.*

### Risks relating to the Issuer and the Group

#### Reputational risks

The Group's business involves granting consumer credits in relatively low amounts, being in the range of SEK 3,000 to 25,000 in Sweden and EUR 1,000-3,000 in Finland, that are granted relatively quickly compared to loans from the conventional banking sector. The reputation of each Group Company is important in maintaining the confidence of existing and potential customers and thus maintaining the demand for the products and services offered by the Group.

The market for such consumer loans has been subject to media scrutiny and media may, from time to time, publish stories and cite examples of perceived usury and unethical lending conducted by companies in the Group's market. Such negative publicity may have an adverse effect on the demand for the products and services offered by the Group, thus impairing the ability to maintain existing customers and attract new customers. In addition, negative media publicity may incentivise further legislation and regulations concerning the market in which the Group operates, leading to increased compliance costs for the Group. Therefore, increased negative media publicity may adversely affect the Group's financial condition, financial returns and results of operations.

#### Regulatory risks

The consumer credit industry in Sweden and in Finland is regulated under various complex laws and regulations relating to, amongst other things, the granting of consumer credits, taxation requirements, data privacy and protection, anti-bribery and anti-money laundering. Further, there is currently a general focus on regulations with the main aim of increasing consumer protection by reducing household debt.

The Swedish Consumer Agency (*Konsumentverket*) (the "SCA") is authorised to charge consumer credit providers a disciplinary fine for not performing a due credit assessment of consumers prior to granting a loan. Also, all companies providing credits to consumers in Sweden must hold a licence with the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "SFSA"). Each of JSM Capital AB ("Cashbuddy") and Cash2you Nordic AB ("Cash2you") currently holds licences pursuant to the Certain Consumer Credit-Related Operations Act (*lagen (2014:275) om viss verksamhet med konsumentkrediter*) ("CCCOA"). This means that Cashbuddy and Cash2you are under the shared supervision of the SFSA and the SCA and subject to the sanctions available under the Consumer Credit Act (*konsumentkreditlagen (2010:1846)*) (the "CCA") and the CCCOA (which include disciplinary fees and revocation of licences) for breaches of applicable laws and regulations.

Creditors in Finland are not required to have a permit in order to grant consumer loans, however they are required to be registered in the credit provider register held by the Regional State Administrative Agency of Southern Finland (*Regionförvaltningsverket i Södra Finland*) (the "RSAASF") and follow the regulations of the Finnish Consumer Protection Act (the "FCPA") which regulates, among other things, the required information in marketing, creditworthiness, the maximum interest rate (50% above reference rate for loans under EUR 2,000) and rights of revocation (14 days). The RSAASF is together with the Finnish Competition and Consumer Authority (*Konkurrens- och konsumentverket*) (the "FCCA") and the Consumer Ombudsman (*konsumentombudsmannen*) responsible for supervising providers of consumer credits in Finland pursuant to the FCPA. Cashbuddy Oy is thus subject to the sanctions available to the RSAASF, the FCCA and the Consumer Ombudsman. These include warnings, disciplinary fees and removal from the credit provider register

Changes in laws and regulations applicable to the operations of the Group or changes in the manner in which such laws and regulations are applied or interpreted may limit the activities of the Group or increase the cost of regulatory compliance and could also lead to the licences currently held by the Group being deemed insufficient or becoming revoked. For example, in Sweden, a government committee published a report on suggested legislative measure for increased consumer protections in relation to high cost consumer loans in October 2016. The committee was directed to consider measures to achieve a more responsible consumer loan market. However, it should be noted that it is, at this stage, merely a governmental investigation (*offentlig utredning*) and no actual legislative proposal (*proposition*).

Moreover, in Finland, the FCPA and the legislation requiring consumer credit providers to register with the RSAAF have been recently amended with effect from 1 January 2017. Among other changes, such amendments introduced new restrictions on the interest and fees chargeable on consumer credits. Further, the Finnish Ministry of Justice (*Justitieministeriet*) has in February 2017 published a request for comments (*begäran om utlåtande*) concerning possible future changes to consumer credit legislation. If realised, such changes could include, for example, further restrictions on interest rates applied to consumer credits and more stringent sanctions for breaches of applicable law. However, it should be noted that the request for comments concerns, at this stage, merely a study of prospective amendments and not a legislative proposal (*proposition*).

Adverse effects could also follow from a failure to comply with applicable laws and regulations, including failure to comply with the proposed new legislation if entered into force. The requirement to hold a licence for conducting consumer credit business entails that the members of the Group are at risk at getting their licences revoked should they not comply with the relevant legislation. In addition, if the members of the Group do not comply with the relevant legislation they are at risk of sanctions which could include penalties and other obligations for the Group. If a revocation of the licence is materialised, or if sanctions are imposed onto the members of the Group, this could have an adverse effect on the Group's business, results of operations and financial condition.

### **Counterparty risks**

The Group's business involves lending to a large number of consumers which makes the business susceptible to deteriorations of general economic conditions and impairments to the loan book of the Group.

Adverse changes arising from a deterioration in, amongst other things, business and consumer confidence, the housing market, unemployment, inflation and the availability and cost of credit could affect the demand for the Group's products and services. Such adverse changes to the general economic conditions may also decline the credit quality of existing customers, which may increase the level of impairment to the loan book of the Group. Additionally, there are laws on debt forbearance that, under certain circumstances, could require that the operating Subsidiaries waive, or accept low repayment offers on their consumer credits, leading to impairments to the loan book. Also, such impairments can result from existing consumers being subject to bankruptcy proceedings in accordance with applicable bankruptcy laws. The lending of the Group is based on models that seek to predict future potential impairments, and certain parameters automatically disqualifies a consumer from lending. Such models can never be flawless and there is a risk that the estimates obtained using such models will prove inaccurate.

Declining credit quality and increased impairment levels may impact profitability and ultimately have an adverse effect on the Group's business, results of operations and financial condition.

### **Risks related to divestments of distressed receivables**

As none of Cashbuddy, Cash2you or Cashbuddy Oy currently conduct any debt management or collection activities on credits which are substantially overdue, receivables that are distressed must be sold to debt purchasing companies. Therefore, the extent to which Cashbuddy, Cash2you and Cashbuddy Oy are affected by credit losses also depends on their ability to sell receivables on appropriate terms.

Each of Cashbuddy, Cash2you and Cashbuddy Oy currently has in place agreements with debt purchasing companies which allow them to sell originated receivables that are distressed. However, the agreements contain certain conditions (such as volume, growth size etc.) that limit the amount of distressed receivables that the debt purchasing companies are obliged to buy. If such conditions are reached during the term of any agreement, Cashbuddy, Cash2you and Cashbuddy Oy will have to renegotiate its agreements or enter into a supplementary receivables transfer agreement with another debt purchasing company. There is a risk that Cashbuddy, Cash2you and Cashbuddy Oy will not be able to sell originated receivables on the same or more advantageous terms under such new receivables transfer agreement, or at all. If Cashbuddy, Cash2you and Cashbuddy Oy cannot

continuously sell distressed receivables at appropriate terms it could have an adverse impact on the Group's business, financial condition and results of operations.

### **Financing risks**

The main financing source of the Group's business in the medium-term is the Notes. The group currently has a SEK 500,000,000 note loan which will be redeemed on 12 May 2017 (the "**Old Note Loan**"). The Old Note Loan will be redeemed in full with the Net Proceeds from the Notes. The Issuer's inability to procure financing in the future on favourable terms, or at all, could have an adverse effect on the Group's business, financial condition and results of operations and on the Issuer's ability to repay amounts due under the Notes.

### **Risks related to gaining a licence as credit market company**

The Group is currently contemplating to initiate an application process in order for one its Swedish Group Companies to become a credit market company pursuant to the Swedish Banking and Finance Business Act (*Lag (2004:297) om bank- och finansieringsrörelse*). In order to apply for a licence, the Group's management team will have to engage severe efforts into the licensing process. Even so, there can be no certainty that a licence will be granted. This could adversely affect the Group's business and results of operations.

Moreover, if and when a Group Company is granted a credit market company licence, it will become further supervised by the SFSA and subject to range of new regulatory requirements and legislation, such as, soundness requirements, governance and risk management requirements, capital requirements, bank recovery resolution legislation that includes, *inter alia*, sale of business tool and bail-in provisions tool, etc.

There is a risk that the Group will not be in compliance with all relevant regulation at all times. It shall also be noted that an increased cost pressure with respect to legal and regulatory compliance may affect the Issuer's earnings and financial position.

Should the SFSA consider that the future operations of the Group are not sound or that the Group is otherwise in breach of laws or regulations that will apply to it, the SFSA may impose administrative sanctions on the Issuer, such as disciplinary reprimands, warnings, fines and order to take remedial action. The SFSA may also revoke the licence. A revocation of the credit market company licence could have an adverse impact on the Group's business, financial condition and results of operations.

### **Risks associated with the Group's dependency on third-party services**

The Group is dependent upon the services of various third parties in relation to accounting, salary administration and the development and maintenance of its credit rating and lending systems. An interruption, whether temporary or permanent, or error in the provision of such services, or any inability to renew or renegotiate contracts with such service providers on commercially reasonable terms, could have an adverse impact on the Group's business, financial condition and results of operations.

### **Risks related to key employees**

The Group is dependent on existing key executives and senior management in order to sustain, develop and grow its business. The loss of such key personnel or an inability to attract retain and motivate the calibre of employees required for the continuation of, and the expansion of, the Group's activities, could cause disruption and adversely affect the Group's business, financial condition and results of operations.

### **Competition risks**

The Group operates in a fragmented and highly competitive industry and faces competition from, amongst others, banks, credit card providers and other consumer credit companies. The Group's current and future competitors may have greater financial, personnel and other resources. There is a risk that the Group will not be able to compete successfully with its existing and future competitors and a failure to do so may adversely affect the Group's business, financial condition and results of operations.

### **Operational risks**

The Group's business depends on its ability to process transactions efficiently and accurately, and on collecting intelligence on customer profiles. The Group's ability to maintain and develop business intelligence systems (including lending models), to maintain financial and operating controls, to monitor and manage its risk exposures, to keep accurate records, to provide high-quality customer service and to develop and sell profitable products and services in the future depends on the success of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its information technology, and the successful development and implementation of new systems. However, losses can result from inadequate

or failed internal control processes and protection systems, human error, fraud or external events that interrupt business operations. This may result in a loss of data and a failure to provide quality services to customers.

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

## **Risks relating to the Notes**

### **Market risks**

The value of the Notes depends on several factors, one of the most significant over time being the level of market interest. Changes in the general level of interest rates, in particular STIBOR, may adversely affect the value of floating rate Notes.

### **Credit risks**

Potential investors should consider the credit risks associated with the Issuer, the Group and the Notes. As there is a credit risk associated with the Issuer and the Group, events that reduce the creditworthiness of the Issuer or the Group should be considered. If the Issuer's or the Group's financial position should decline, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes. A decrease in the Issuer's or the Group's creditworthiness could also lead to a decrease in the market value of the Notes.

### **Refinancing risks**

Refinancing risk is the risk that financing may not be obtained, or could only be obtained at significantly increased costs. The Issuer's ability to successfully refinance its debt, including the Notes, is dependent on the conditions of the Issuer and the financial markets in general at such time. As a result, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have an adverse effect on the Group's business, financial condition and results of operations and on the Issuer's ability to repay amounts due under the Notes.

### **No active trading**

There is a risk that an active secondary market for trading in the Notes will occur and that such trading is maintained. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. Although the Issuer will apply for registration of the Notes at a Regulated Market, there is a risk that such application will be accepted or that an active trading market will develop. This may result in the Noteholders being unable to sell their Notes when desired or at a price level which allows for a profit compared to similar investments with an active and functioning secondary market. A lack of liquidity in the market may have a negative impact on the market value of the Notes. It should also be noted that during a given time period it may be difficult or impossible to sell Notes due to, for example, severe price fluctuations or trade restrictions imposed on the market.

Further, the nominal (par) value of the Notes may not be indicative compared to the market price of the Notes if the Notes are admitted for trading at a Regulated Market.

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

### **The price of the Notes may be volatile**

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. 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 Notes without regard to the Group's operating results, financial condition or prospects.

**Risk of redemption of the Notes prior to maturity**

Pursuant to the Terms and Conditions, the Issuer has the right to redeem all outstanding Notes prior to the final redemption date. If the Notes are redeemed before the final redemption date, the holders of the Notes will during a certain period of time receive an early redemption amount which equals or exceeds the nominal amount of the Notes, together with accrued but unpaid interest. The Terms and Conditions of the Notes also contain certain mandatory prepayment rights in favour of the Noteholders, however, it is possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to make the required redemption or repurchase of Notes.

**Clearing and settlement**

The Notes are registered in Euroclear's account-based system, and no physical notes have been, or will be, issued. Clearing and settlement relating to the Notes is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system in order to receive timely payments under the Notes.

**Change of law**

The Notes are subject to Swedish and applicable European laws and administrative practices in effect. There is a risk that certain changes to Swedish or applicable European laws or administrative practices, such as changes to applicable laws or administrative practices relating to securities or taxation requirements, could adversely impact the ability of the Issuer to make payments under the Notes.

**Other debt and structural subordination of the Notes**

The business of the Group is conducted in the Subsidiaries and the Issuer is reliant on the financial performance of the Subsidiaries and their ability to make dividend distributions and up-stream loans to the Issuer in order for the Issuer to be able to meet its payment obligations (including making payments under the Notes).

The Subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. No present or future Subsidiary will guarantee or provide any security for the Issuer's obligations under the Notes.

The Terms and Conditions permits the Subsidiaries to incur debt to a certain extent. Such other indebtedness may reduce the amount recoverable by the Noteholders upon bankruptcy or liquidation of the Issuer or any Subsidiary and may impair the Issuer's ability to make payments under the Notes. Moreover, if any Subsidiary is subject to bankruptcy or other similar proceedings, the creditors of such Subsidiary will generally be prioritised and rank ahead of the Issuer and its creditors due to their position in the capital structure.

**Noteholders' representation and majority decisions by the Noteholders**

In accordance with the Terms and Conditions, the Agent represents each Noteholder in all matters relating to the Notes. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions of its own against the Issuer. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney could negatively impact the enforcement options available to the Agent on behalf of the Noteholders.

Further, under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders including:

- (a) the right to agree to amendments to the Finance Documents provided that such amendments do not adversely affect the interest of the Noteholders or such amendments are made solely for the purpose of rectifying obvious errors and mistakes; and
- (b) the right to accelerate the Notes upon the occurrence of an Event of Default.

Additionally, under the Terms and Conditions certain majorities of Noteholders have the right to make decisions and take measures that bind all Noteholders, including those who vote in a manner contrary to the majority. Therefore, the actions of the majority and the Agent in such matters could impact the Noteholders' rights under the Finance Documents in a manner that would be undesirable for some of the Noteholders.



## DESCRIPTION OF THE NOTES AND USE OF PROCEEDS

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### Certain terms and conditions of the Notes

The following is a summary description of the terms and conditions of the Notes and is qualified in its entirety by the full Terms and Conditions included in the section “Terms and conditions of the Notes”.

#### The Initial Notes and Subsequent Notes

The Notes have a Nominal amount of SEK 1,000,000 each. The total aggregate nominal amount of the Initial Notes is SEK 650,000,000. In addition to the Initial Notes, Subsequent Notes may be issued at one or several occasions in accordance with and subject to the Terms and Conditions. The maximum total nominal amount of the Notes may not exceed SEK 800,000,000 unless consent from the Noteholders is obtained in accordance with the Terms and Conditions. Subsequent Notes will be issued subject to the Terms and Conditions, including, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date. The price of the Subsequent Notes may however be set at a discount or at a premium compared to the Nominal Amount. The Notes are denominated in Swedish Kronor.

#### ISIN and common code

The Notes have been allocated the ISIN code SE0009805500. The Notes will also be allocated a short name ticker upon admission to trading. Such short name ticker has not been allocated at the date of this Prospectus.

#### Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a VP account on behalf of the relevant Noteholder. Hence, no physical notes have been issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator.

#### Status of the Notes

The Notes constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them.

#### First Issue Date and redemption

The Initial Notes were issued on 19 April 2017. Unless previously redeemed or purchased and cancelled in accordance with the Terms and Conditions, the Issuer shall redeem all outstanding Notes with the Nominal Amount (together with any accrued but not yet paid interest) on 20 April 2020 (the “Final Maturity Date”).

Subject to applicable law, the Issuer may at any time and at any price purchase Notes on the market or in any other way. Notes held by the Issuer may at the Issuer’s discretion be retained, sold or cancelled by the Issuer.

### Voluntary total redemption (call option)

All, but not only some, Notes can be redeemed early at the option of the Issuer following the First Issue Date. The Issuer can exercise its option by giving the Noteholders and the Agent not less than fifteen (15) Business Days' notice in accordance with the Terms and Conditions. Each Note shall be redeemed at an early redemption amount in accordance with the following:

Time	Price per Note
(a) any time prior to the First Call Date,	at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium;
(b) any time from and including the First Call Date to, but excluding, the first Business Day falling twelve (12) months prior to the Final Maturity Date,	at an amount per Note equal to 103.5 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
(c) any time from and including the first Business Day falling twelve (12) months prior to the Final Maturity Date to, but excluding, the first Business Day falling six (6) months prior to the Final Maturity Date,	at an amount per Note equal to 102.45 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
(d) any time from and including the first Business Day falling six (6) months prior to the Final Maturity Date to, but excluding, the first Business Day falling three (3) months prior to the Final Maturity Date,	at an amount per Note equal to 101.4 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
(e) any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date,	at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

### Repurchase in the event of a Change of Control or a Listing Failure Event (put option)

Upon the occurrence of a Change of Control Event or a Listing Failure Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of a Change of Control Event or a Listing Failure Event pursuant to the Terms and Conditions (after which time period such right shall lapse).

If a Noteholder 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 Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer. The Redemption Date must fall no later than forty (40) Business Days after the end of the twenty (20) Business Days period following the notice from the Issuer.

The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the Terms and Conditions relating to the Repurchase in the event of a Change of Control or a Listing Failure Event, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under such provisions in the Terms and Conditions by virtue of the conflict.

Any Notes repurchased by the Issuer pursuant to the Terms and Conditions relating to a repurchase in the event of a Change of Control or a Listing Failure Event may at the Issuer's discretion be retained, sold or cancelled.

The Issuer shall not be required to repurchase any Notes pursuant to the Terms and Conditions, if a third party in connection with the occurrence of a Change of Control Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in such provisions (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in the Terms and Conditions, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

“**Change of Control Event**” means an event or series of events resulting in Mr Martin Jönsson or Mr Mikael Jönsson ceasing to, directly or indirectly, individually or jointly own and control more than 50 per cent. of the votes and shares in the Issuer or ceasing to have the power to appoint and remove the majority of the board of directors of the Issuer.

“**Listing Failure Event**” means (i) that the Note Loan is not admitted to trading on a Regulated Market within sixty (60) days following the First Issue Date, or (ii) in the case of a successful admission, that a period of sixty (60) days has elapsed since the Note Loan ceased to be listed on a Regulated Market.

### **Payments in respect of the Notes**

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

The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

### **Payment of Interest under the Notes**

Each Initial Note carries Interest at a floating rate of STIBOR (3 months) plus 7.0 per cent. *per annum* from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest from (but excluding) 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 including) the relevant Redemption Date.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). Payment of Interest in respect of the Notes shall be made to the Noteholders on the 31 March, 30 June, 30 September and 30 December of each year (or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention).

If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the rate of eight (8) per cent. *per annum* shall apply instead.

### **Acceleration and prepayment of the Notes**

The Agent is entitled to, and shall promptly following an instruction given pursuant to the Terms and Conditions, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent so determines, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with Clauses 12.1 (*Equity to Total Assets*) or 12.2 (*Interest Cover*) of the Terms and Conditions, unless the non-compliance is cured in accordance with Clause 12.3 (*Equity Cure*) of the Terms and Conditions;
- (c) the Issuer does not comply with any material terms or conditions of the Finance Documents to which it is a party (other than those terms referred to (a) and (b) above, unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (e) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;

- (f) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of the Group and is not discharged within forty Business Days; or
- (g) 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) on the part of the relevant Group Company, provided that no Event of Default will occur under this paragraph (g), if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than SEK 10,000,000.

For further detail on the provisions for acceleration and prepayment of the Notes, see Clause 13 of the Terms and Conditions.

### **Undertakings**

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to:

- (a) business of the Group;
- (b) group structure;
- (c) authorisations;
- (d) mergers;
- (e) acquisitions;
- (f) disposals;
- (g) Financial Indebtedness;
- (h) negative pledge;
- (i) restricted payments;
- (j) admission to trading;
- (k) undertakings relating to the Agency Agreement;
- (l) CSD related undertakings; and
- (m) financial undertakings,

some of which are elaborated on below. The undertakings are subject to qualifications. See Section 11 and 12 of the Terms and Conditions.

### ***Financial undertakings***

The Issuer undertakes for so long as any amount is outstanding under the Notes to comply or, as relevant, procure the compliance with the financial covenants set out below based on the consolidated financial statements for the Issuer most recently delivered under Clause 10.1.1 of the Terms and Conditions.

Equity to Total Assets shall on each Reference Date not be less than 0.15:1.

Interest Cover shall on each Reference Date not be less than 1.25:1.

If any of the ratios set out above are not met on the applicable Reference Date, the Issuer may cure the relevant breach by recalculating the applicable ratio following the contribution of New Investments in accordance with Clause 12.3.3 or 12.3.4 of the Terms and Conditions, as applicable.

In order to cure a breach of a financial undertaking, the recalculation must be made no later than fifteen (15) Business Days after the delivery of the compliance certificate relating to the Reference Period to which the recalculation is attributable.

On recalculating the Equity to Total Assets Ratio, the amount of the New Investments shall be added to Equity and Total Assets and be deemed to have been contributed immediately prior to the relevant Reference Date.

On recalculating the Interest Cover ratio, the amount of the New Investments shall be deemed to have reduced the Financial Indebtedness of the Group by the same amount as if there had been a prepayment of such Financial

Indebtedness on the first day of the relevant Reference Period and the Consolidated Financial Payable for that Reference Period shall be recalculated based on the reduced amount of Financial Indebtedness.

In respect of each ratio, no more than two (2) recalculations may be made during the life of the Notes, with a period of no less than six (6) months between each recalculation. At least 50 per cent. of the proceeds of the New Investment received for the purpose of curing a breach of a financial undertaking shall immediately upon receipt by the Issuer be used toward prepayment of Financial Indebtedness of the Group.

### **Financial Indebtedness**

The Issuer shall not incur or allow to subsist, and shall procure that no other Group Company incurs or allows to subsist, any Financial Indebtedness, except:

- (a) the Initial Notes, any Subsequent Notes and the Existing Notes;
- (b) following from deposit taking;
- (c) Subordinated Debt and other Financial Indebtedness that is subordinated to, or ranked *pari passu* with, the Notes and with a maturity after the Final Maturity Date;
- (d) any indebtedness resulting from a dividend, interest payment, group contribution (*koncernbidrag*) or other distribution permitted pursuant to Clause 11.9 (*Restricted payments*) of the Terms and Conditions;
- (e) hedging arrangements and other non-speculative derivative transactions;
- (f) indebtedness between Group Companies;
- (g) guarantees by a Group Company for the obligations of other Group Companies;
- (h) guarantees and normal liabilities having the effect of borrowing in the ordinary course of business with a maximum duration of 180 days;
- (i) finance leases of equipment and machinery used by a Group Company;
- (j) Financial Indebtedness in the total aggregate amount of up to SEK 150,000,000 with one or several banks, financial institutions or other entities which are regularly engaged in making loans; and
- (k) any Financial Indebtedness arrangement not permitted by paragraphs (a) to (j) above, provided that the aggregate amount of such indebtedness does not exceed SEK 15,000,000.

### **Disposals**

The Issuer shall not sell or otherwise dispose of any shares or ownership interests in JSM Capital AB and notwithstanding the below shall procure that JSM Capital AB does not sell or otherwise dispose of all or substantially all of its assets.

Subject always to the above, the Issuer may not sell or otherwise dispose of any shares or ownership interests in any Subsidiary and shall procure that no Subsidiary sells or otherwise disposes of all or substantially all of its assets unless:

- (a) the purchaser or recipient is a Group Company; or
- (b) an amount equal to the Net Disposal Proceeds of such sale or disposal is applied or reinvested:
  - (i) by way of acquiring share capital or partnership interests in any company (or equivalent) which is permitted pursuant to Clause 11.5 (*Acquisitions*) of the Terms and Conditions and/or;
  - (ii) in the ordinary course of the Group's business,

in each case provided that such amount is employed within 12 months of the relevant sale or disposal.

### **Negative pledge**

As long as any Notes remain outstanding, the Issuer undertakes that it shall not create or allow to subsist any Security, and shall procure that no other Group Company create or allow to subsist any Security, over any of its present or future assets or revenues, except:

- (a) any Security over cash paid into an escrow account pursuant to any deposit or retention of purchase price arrangements;
- (b) any Security for hedging arrangements and other non-speculative derivative transactions permitted pursuant to paragraph (e) of Clause 11.7 (*Financial Indebtedness*) of the Terms and Conditions;
- (c) any Security provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of Debt Instruments of the Group are intended to be received;
- (d) any Security agreed to be provided for the benefit of the financing providers in relation to a refinancing of Debt Instruments of the Group, however provided that any perfection requirements in relation thereto are satisfied only after repayment of the Debt Instruments;
- (e) any Security for Financial Indebtedness in the total aggregate amount of up to SEK 150,000,000 with one or several banks, financial institutions or other entities which are regularly engaged in making loans, as permitted pursuant to paragraph (j) of Clause 11.7 (*Financial Indebtedness*) of the Terms and Conditions; and
- (f) any Security or preferential arrangement not permitted by paragraphs (a) to (e) above, securing indebtedness the principal amount of which does not in aggregate exceed SEK 15,000,000.

### ***Restricted Payments***

The Issuer shall always be entitled to pay cash interest not in excess of eight (8) per cent. *per annum* on any Affiliate Debt. Unless permitted to be paid in cash pursuant to Clause 11.9.2 of the Terms and Conditions, any interest in excess of such rate shall be capitalised and added to the relevant Affiliate Debt.

The Issuer may during any financial year declare, make or pay any dividend, make a cash payment of a group contribution (*koncernbidrag*), make any other distribution of value to its shareholders or pay cash interest in excess of eight (8) per cent. *per annum* on any Affiliate Debt, in an aggregate amount (including the payment or transfer in question) not exceeding an amount equal to fifty (50) per cent. of the sum of:

- (a) the Group's consolidated net profit for the previous financial year;
- (b) the amount of group contributions (*koncernbidrag*) given by the Issuer in the previous financial year; and
- (c) the amount of interest in excess of eight (8) per cent. *per annum* on any Affiliate Debt charged to the Issuer in the previous financial year;

provided that at the time of such payment or transfer:

- (a) Equity to Total Assets pursuant to the most recent consolidated financial statements of the Issuer is not less than 0.20:1, tested pro forma and calculated as if the payment or transfer in question had already occurred; and
- (b) no Event of Default is continuing.

Notwithstanding the above, the Issuer shall always be entitled to give group contributions (*koncernbidrag*), provided that no cash or other funds are transferred from the Issuer as a result thereof (i.e. the group contributions are merely accounting measures) other than as permitted pursuant to Clause 11.9.2 of the Terms and Conditions. Any amount of group contributions in excess of what is permitted pursuant to Clause 11.9.2 must be subsequently converted into a shareholder's contribution to the Issuer as soon as practically possible.

### ***Admission to trading***

The Issuer shall use its best efforts to ensure that the Note Loan is admitted to trading on the Regulated Market within thirty (30) days after issuance, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

Following an admission to trading, the Issuer shall use its best efforts to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

It is estimated that the Issuer's costs in conjunction with the admission to trading will be no higher than SEK 200,000.

## Decisions by Noteholders

A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) of the Terms and Conditions from a person who is, registered as a Noteholder:

- (a) on the Business Day specified in the notice pursuant to Clause 17.3 (*Noteholders' meeting*) of the Terms and Conditions, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3 (*Written procedure*) of the Terms and Conditions, in respect of a Written Procedure;

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

A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.

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

## Noteholders' Committee

The Noteholders may appoint a Noteholders' Committee to represent the interests of the Noteholders. A Noteholders' Committee shall consist of no less than three (3) natural persons. All members of a Noteholders' Committee shall be elected at a Noteholders' Meeting.

A Noteholders' Committee may enter into discussions with the Issuer and other creditors of the Issuer and by majority decision among its members (i) adopt such procedural rules as it considers appropriate and (ii) prepare proposals and recommendations to the Noteholders. A Noteholders' Committee may not bind the Noteholders to any agreement or decision. The Agent shall provide reasonable assistance to the Noteholders' Committee and participate in its meetings.

The Noteholders' Committee may agree with the Issuer not to disclose information received from the Issuer provided that it, in the reasonable opinion of the Noteholders' Committee, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the Noteholders' Committee.

## Prescription

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

## Governing law

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

## The CSD

Euroclear Sweden AB, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Notes.

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

### **The Issuing Agent**

Arctic Securities AS, filial Sverige, Swedish Corporate ID No. Reg. No. 516408-5366, Biblioteksgatan 8, 111 46 Stockholm Sweden is initially acting as Issuing Agent.

### **The Agent and the Agency Agreement**

Intertrust (Sweden) AB, Swedish Corporate ID No. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden, email: trustee@intertrustgroup.com, is acting as Agent.

Pursuant to the Agency Agreement that was entered into on 11 April 2017 between the Issuer and the Agent, the Agent has undertaken to represent the Noteholders in accordance with the Terms and Conditions. The Issuer has undertaken to, among other things, pay certain fees to the Agent and to indemnify the Agent against costs, losses or liabilities incurred by the Agent in acting as Agent under any Finance Documents.

The Agency Agreement is governed by Swedish law.

### **Ratings**

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

### **Use of proceeds**

The Issuer shall use the Net Proceeds from the issue of the Initial Notes (i) first to finance the repayment of the Existing Financing, (ii) secondly to finance the business of the Group as set out in Clause 11.1 (*Business of the Group*) and (iii) thirdly to finance the issuance of Subsequent Notes.



## INDUSTRY OVERVIEW AND BUSINESS DESCRIPTION

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### Industry overview

The present Subsidiaries of the Issuer operates in the market for unsecured consumer lending. This market consists of a range of different types of loans, in varying sizes and with varying terms. The present Subsidiaries of the Issuer primarily engages in granting consumer loans in relatively low credit amounts, being in the range of SEK 3,000 – 25,000 in Sweden and EUR 1,000 – 3,000 in Finland.

Numerous regulatory changes have been introduced in order to increase protection for borrowers. Today, the legal framework in Sweden and Finland regulates the marketing and the underwriting process of consumer credits, in addition Finnish legislation also stipulates maximum interest rate.

Apart from the present Subsidiaries of the Issuer, other entities in the market for unsecured consumer loans include various banks, including the largest Swedish and Finnish banks, and other credit companies. As for unsecured consumer loans in lower amounts, which is the main focus of the present Subsidiaries of the Issuer, such loans are typically granted by other consumer credit companies rather than banks.

### Business description

The present Subsidiaries of the Issuer offers short to medium – term unsecured consumer loans, with terms of up to five years, to the Swedish and Finnish market. The Groups' headquarter is situated in Varberg, Sweden. The present Subsidiaries of the Issuer capitalises on high demand for unsecured consumer loans in the Swedish and Finnish market, which has continued to increase during the past decade in both Sweden and Finland.

The present Subsidiaries of the Issuer targets individuals using predominantly direct marketing and online marketing through its marketing brands Cash Buddy and Cash2you. The customer base is evenly distributed throughout Sweden and Finland.

The Group was founded in 2013 by Martin and Mikael Jönsson who still remain sole owners and active in the business. The present Subsidiaries of the Issuer, being JSM Capital AB, Cash2you Nordic AB and Cashbuddy Oy, have been conducting operations since 2006, 2011 and 2015 respectively. The Jönsson Family founded Gothia Financial Group in 1976 which was sold to Herkules Capital in 2008.

The present Subsidiaries business model comprises marketing, underwriting and billing and the disposal of any non-performing loans.

All Swedish customers are offered the same terms and conditions, including an effective annual interest rate of 33.4%. The Finnish customers is offered loans on similar terms and conditions as the Swedish customer but the cost for the borrower consists of both interest rate and fees. The effective annual interest rate amounts to 35.5 – 63.2% , which includes a monthly fee of EUR 9 and an admission fee of EUR 49 – 299.

The underwriting process in Sweden and Finland includes online and offline application, customer identification and credit scoring based on several triggers such as age, income level, other credit involvements, order for payment (*betalningsföreläggande*) and no material outstanding debt at the Swedish Enforcement Authority (*Kronofogdemyndigheten*). In Finland it is somewhat more difficult to obtain data, but information regarding the customer's payment defaults and similar negative information is acquired from Soumen Asiakastieto.

Letters are sent to debtors who have not paid due payment in order to remind them and to inform them about the consequences of non – payment. Credit losses are taken on the income statement after 77 days in Sweden, and 60 – 63 days in Finland, leaving only performing loans on the balance sheet. Borrowers then have 30 days in Sweden, or 20 – 60 day in Finland, to settle the interest and principal on the loan before the loan shall be divested to a collection agency. This is due to the fact that the business model of the Group includes a non-performing loan policy where all non-performing loans shall be divested, whereby all non-performing loans that are older than 107 days in Sweden, and 80 – 120 days in Finland, are disposed of.

As of the date of this Prospectus, approximately 50,000 loans are outstanding with a maturity of between one and five years, with an average loan size of approximately SEK 16,400 (in the range of SEK 3,000 to 25,000) in Sweden and EUR 1,732 in Finland (in the range of EUR 1,000 to 3,000).

## **General corporate and Group information**

### ***The Issuer***

The Issuer is a holding company providing funds to be lent to its Subsidiaries, currently being JSM Capital AB, Cash2you Nordic AB and Cashbuddy Oy, in order to finance the Subsidiaries' business of providing consumer credit to private individuals and/or leasing of assets to small or medium sized enterprises. According to the Issuer's Articles of Association, the purpose of the Issuer's business is to own and control shares and to finance the business of its Subsidiaries and any business incidental thereto.

The Issuer's legal and commercial name is JSM Financial Group AB (publ) and its Swedish Corporate ID No. is 556935-7741. The registered office is Box 53, 432 22 Varberg. The phone number of the Issuer is +46 340 66 69 30. The Issuer was incorporated in Sweden on 3 June 2013 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 1 July 2013. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

Under its current Articles of Association, the Issuer's share capital shall be not less than SEK 10,000,000 and not more than SEK 40,000,000, divided into not fewer than 1,000 shares and not more than 4,000 shares. The Issuer's current share capital is SEK 30,000,000 divided into 3,000 shares.

### ***Legal Group structure***

The Issuer is a 100% owned subsidiary of JSM Gruppen AB, Swedish Corporate ID No. 556772-0890. Cash2you Nordic AB, Swedish Corporate ID No. 556365-1206, JSM Capital AB, Swedish Corporate ID No. 556686-9938, and Cashbuddy Oy, Finish Corporate ID No. 26660334-4 are 100% owned subsidiaries of the Issuer. The ultimate shareholders of JSM Gruppen AB are Mr. Martin Jönsson and Mr. Mikael Jönsson.

## THE BOARD OF DIRECTORS, SENIOR MANGEMENT AND AUDITORS

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### Board of directors and senior mangement

The board of the Issuer consists of four board members.

#### Magnus Stéen

*Born 1968. Chairman of the board since 2013 and board member since 2013.*

**Principal education:** Jur. kand. (LL.M.), Gothenburg University, and LL.M., Heidelberg University.

**Other current assignments include:** Main owner, CEO and board member of Contract Business Intelligence Nordic AB.

#### Martin Jönsson

*Born 1972. CEO since 2013 and board member since 2013.*

**Other current assignments include:** Co-owner of JSM Gruppen AB and holds various positions within the JSM Gruppen AB group of companies.

#### Mikael Jönsson

*Born 1970. Board member since 2014.*

**Other current assignments include:** Co-owner of JSM Gruppen AB and holds various positions within the JSM Gruppen AB group of companies.

#### Lassi Salmivuori

*Born 1951. Board member since 2013.*

**Other current assignments include:** Owner and board member of MRL Company AB and Lassi Salmivuori AB, co-owner and board member of A.Q.A Scandinavia AB and board member of Aktiebolaget BE:son Gross.

### Auditors

Öhrlings PricewaterhouseCoopers AB (c/o PwC, Varlabergsvägen 29, 434 39 Kungsbacka) is the Issuer's auditor since 2013. Clas Rydén is the auditor in charge for Öhrlings PricewaterhouseCoopers AB. Clas Rydén is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

### Other information regarding the board of directors

#### Business address

The address for all Board members is c/o the Issuer, P.O Box 53, 432 22 Varberg.

#### Conflicts of interest

As far as the board of directors is aware, there exist no conflicts of interest between the duties of the board members in respect of the Issuer and their private interests and/or other duties.

## LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

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### Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Initial Notes on 19 April 2014 was authorised by a resolution of the board of the Issuer on 4 April 2017.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Material contracts

Other than the agreements described below under this Section “Material contracts”, neither the Issuer nor any other Group Company has concluded any material agreements not entered into in the ordinary course of its business, which could result in any member of the Group Company being under an obligation or entitlement that is material to the Issuer’s ability to meet its obligation to security holders in respect of the Notes.

#### Contracts on the divestment of distressed receivables

Each Swedish present Subsidiary of the Issuer, being JSM Capital AB and Cash2you Nordic AB, has in place an agreement with Intrum Justitia AB (publ), which is a debt purchasing company, and the Finnish present Subsidiary of the Issuer, being Cashbuddy Oy, has in place an agreement with Lindorff Oy, also a debt purchasing company. Under these contracts each Subsidiary has an obligation to exclusively transfer distressed receivables within a certain period from their due date to their respective debt purchase company, which has an obligation to buy such receivables for a purchase price representing a certain portion of the capital amount of each receivable. The contracts remain in force until a certain volume commitment, relating to the volume of receivables transferred under the contracts, has been reached.

#### Shareholders’ agreements

There is a share purchase option agreement in place between JSM Invest AB and JSM Holding AB, each being an indirect shareholder of the Issuer. According to this agreement, if a change of control occurs in relation to JSM Holding AB or JSM Invest AB, where a change of control is defined as Martin Jönsson ceasing to own 100 per cent of the shares and votes in JSM Holding, or Mikael Jönsson ceasing to own 100 per cent of the shares and votes in JSM Invest AB, the other party shall have a right to buy one (1) share in JSM Gruppen AB from the other party. If such share purchase option is realised, either Martin Jönsson or Mikael Jönsson will indirectly hold more than 50 per cent of the shares and votes in the Issuer, in contrast to the current situation in which they own 50 per cent of the shares and votes respectively.

As far as the board of directors of the Issuer is aware, apart from the share purchase option agreement described above, there are no shareholders’ agreements or other agreements that could result in a change of control of the Issuer.

### Legal and arbitration proceedings

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer’s and/or the Group’s financial position or profitability.

### Certain material interests

Arctic Securities AS, Filial Sverige was the Arranger in conjunction with the issuance of the Notes. The Arranger (and closely related companies) has provided, and may in the future provide, certain investment banking and other services to the Issuer for which it has received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Arranger having previously engaged, or in the future

engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

### **Trend information**

There has been no material adverse change in the prospects of the Issuer since 31 December 2016, being the end of the last financial period for which audited financial information of the Issuer was presented

### **Significant changes since 31 December 2016**

There have been no significant changes in the financial or trading position of the Group since 31 December 2016, being the end of the last financial period for which audited financial information of the Issuer was presented.

### **Incorporation by reference**

The following information has been incorporated into this Prospectus by reference and made available on the Issuers webpage at <http://www.jsmgruppen.com/jsm-financial-group-ab/rappporter/>. The incorporated information should be read as part of the Prospectus.

#### **Annual report for 2015**

as regards the audited consolidated financial information and the audit report on pages:

- 10 (Consolidated income statement)
- 13 (Consolidated statement of changes in equity)
- 14 (Consolidated statement of cash flows)
- 11-12 (Consolidated balance sheet)
- 20-39 (Notes to the consolidated financial statements)
- 15 (Parent company income statement)
- 16-17 (Parent company's balance sheet)
- 18 (Parent company's statement of changes in equity)
- 19 (Parent company's statement of cash flows)
- 20-39 (Notes to the parent company financial statements)
- 40 (Auditor's report)

#### **Annual report for 2016**

as regards the audited consolidated financial information and the audit report on pages:

- 10 (Consolidated income statement)
- 13 (Consolidated statement of changes in equity)
- 14 (Consolidated statement of cash flows)
- 11-12 (Consolidated balance sheet)
- 20-41 (Notes to the consolidated financial statements)
- 15 (Parent company income statement)
- 16-17 (Parent company's balance sheet)
- 18 (Parent company's statement of changes in equity)
- 19 (Parent company's statement of cash flows)
- 20-41 (Notes to the parent company financial statements)
- 42-45 (Auditor's report)

#### **Interim report for the first quarter 2017**

as regards the unaudited consolidated financial information (including comparable numbers for the first quarter 2017) on pages:

- 8 (Consolidated income statement)
- 8 (Consolidated statement of comprehensive income)
- 11 (Consolidated statement of changes in equity – in summary)
- 12 (Consolidated statement of cashflows – in summary)
- 14 (Parent company income statement – in summary)
- 15 (Parent company balance sheet – in summary)

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

The Issuer's annual reports has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*). With the exception of the Annual Reports, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

### **Documents on display**

Copies of the following documents are available at the Issuer's office, Box 53, 432 22 Varberg, during the validity period of this Prospectus (regular office hours):

- the Issuer's Articles of Association;
- the Issuer's annual report (including auditor's report) for the period 1 January 2016 to 31 December 2016;
- the Issuer's interim report for the period 1 January 2017 to 31 March 2017;
- the Finance Documents; and
- the Agency Agreement.

## TERMS AND CONDITIONS

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### 1. DEFINITIONS AND CONSTRUCTION

#### 1.1 Definitions

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

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

“**Accounting Principles**” means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Affiliate Debt**” means Subordinated Debt other than Debt Instruments, with an Affiliate as lender.

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

“**Agent**” means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Applicable Premium**” means the higher of:

- (a) 1.00 per cent. of the Nominal Amount; and
- (b) an amount equal to
  - (i) the amount per Note payable pursuant to Clause 9.3.1(b) (for the avoidance of doubt, not including any accrued but unpaid Interest); plus
  - (ii) all remaining scheduled Interest payments on the Note until the First Call Date (but excluding accrued but unpaid Interest up to the relevant Redemption Date), assuming for sub-paragraph (ii) that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given; and both sub-paragraphs (i) and (ii) discounted (for the time period starting from the relevant Redemption Date to the First Call Date or the relevant Interest Payment Date, as the case may be) using a discount rate equal to the yield to maturity at the time of computation of the Swedish Government Bond with a maturity date on or about the First Call Date (if the yield to maturity of such Swedish Government Bond is below zero, such yield will be deemed to be zero) plus 0.50 per cent., minus
  - (iii) the Nominal Amount.

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

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

“**Change of Control Event**” means an event or series of events resulting in Mr Martin Jönsson or Mr Mikael Jönsson ceasing to, directly or indirectly, individually or jointly own and control more than 50 per cent. of the votes and shares in the Issuer or ceasing to have the power to appoint and remove the majority of the board of directors of the Issuer.

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

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

“**Consolidated EBITDA**” means for any Reference Period consolidated earnings of the Group before financial income and financial expenses, taxes, depreciation and amortisation (without double counting) calculated in accordance with the Accounting Principles. For the purpose of calculating EBITDA, entities acquired or disposed of during a measurement period will be included or excluded (as applicable) for the entirety of that measurement period.

“**Consolidated Financial Payable**” means for any Reference Period, the aggregate of all financial expenses for the Group (excluding financial expenses charged for Affiliate Debt in excess of an interest rate of eight (8) per cent. *per annum*) calculated in accordance with the Accounting Principles.

“**Debt Instruments**” means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Equity**” means the aggregate of the consolidated shareholders’ equity (*fritt och bundet eget kapital*) of the Group calculated in accordance with the Accounting Principles and the amount outstanding as Subordinated Debt.

“**Existing Financing**” means the Issuer’s (i) SEK 500,000,000 2013/2017 notes issued with ISIN SE0005505807, and (ii) SEK 166,000,000 2015/2017 notes issued with ISIN SE0007576715.

“**Event of Default**” means an event or circumstance specified in Clause 13.1.

“**Final Maturity Date**” means 20 April 2020.

“**Finance Documents**” means these Terms and Conditions and any other document designated by the Issuer and the Agent as a Finance Document.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability however not including current or future leases which as at the date of these Terms and Conditions are considered as not being financial leases);
- (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 pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;



- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

“**First Call Date**” means 19 October 2018.

“**First Issue Date**” means 19 April 2017.

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

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

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

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits in writing its inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent within any other relevant jurisdiction), suspends making payments on its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*)) (or its equivalent in any other relevant jurisdiction) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Cover**” means, in respect of any Reference Period, the ratio of (i) Consolidated EBITDA plus all financial income in each case for that Reference Period to (ii) Consolidated Financial Payable for that Reference Period.

“**Interest Payment Date**” means 31 March, 30 June, 30 September and 31 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 30 June 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means STIBOR plus 7.0 per cent. *per annum*.

“**Issuer**” means JSM Financial Group AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556935-7741.

“**Issuing Agent**” means Arctic Securities AS, filial Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“**Listing Failure Event**” means (i) that the Note Loan is not admitted to trading on a Regulated Market within sixty (60) days following the First Issue Date, or (ii) in the case of a successful admission, that a period of sixty (60) days has elapsed since the Note Loan ceased to be listed on a Regulated Market.

“**Net Disposal Proceeds**” means the proceeds received in cash from any sale or disposal less any costs relating to the sale or disposal, any fees and any tax relating to the sale or disposal.

“**Net Proceeds**” means the gross proceeds from the issue of the relevant Notes, less (i), in respect of the Initial Notes, the total aggregate nominal amount of any notes evidencing the Existing Financing

which are used as payment by Noteholders for the Initial Notes, and (ii) the costs and expenses incurred by the Issuer in connection with the issuance thereof.

“**New Investments**” means (i) fully paid ordinary shares in the Issuer issued to JSM Gruppen AB and/or (ii) further Subordinated Debt and/or (iii) unconditional shareholder’s contribution (*ovillkorat aktieägartillskott*), in each case issued or advanced after the First Issue Date.

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

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

“**Note Loan**” means the loan constituted by these Terms and Conditions and evidenced by the Notes.

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

“**Noteholders’ Committee**” has the meaning set forth in Clause 15 (*Noteholders’ Committee*).

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

“**Permitted Jurisdiction**” means any of Denmark, Finland, Norway, Sweden, Estonia and Latvia and their associated territories or such other country approved by the Noteholders from time to time.

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Notes*).

“**Reference Date**” means each of 31 March, 30 June, 30 September and 31 December in each year during the term of the Notes.

“**Reference Period**” means each period of twelve months ending on the applicable Reference Date.

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

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

“**STIBOR**” means:

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

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

“**Subordinated Debt**” means any Financial Indebtedness of the Issuer which is subordinated to the Notes and with a maturity date falling after the Final Maturity Date.

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

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

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

“**Total Assets**” means the total consolidated assets (*totala tillgångar*) of the Group calculated in accordance with the Accounting Principles.

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders 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) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 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 Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). 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 Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. STATUS OF THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The nominal amount of each Initial Note is SEK 1,000,000 (the “**Nominal Amount**”). The total nominal amount of the Initial Notes is SEK 650,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be

subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 800,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 16.6. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.

- 2.5 The Notes constitute general, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3. USE OF PROCEEDS**

- 3.1 The Issuer shall use the Net Proceeds from the issue of the Initial Notes (i) first to finance the repayment of the Existing Financing, and (ii) secondly to finance the business of the Group as set out in Clause 11.1 (*Business of the Group*).
- 3.2 The Issuer shall use the Net Proceeds from the issue of any Subsequent Notes to finance the business of the Group as set out in Clause 11.1 (*Business of the Group*).

### **4. CONDITIONS FOR DISBURSEMENT**

- 4.1 The Issuing Agent shall pay the Net Proceeds from the issuance of the Initial Notes to the Issuer on the later of (i) the First Issue Date and (ii) the date on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to the Agent:
- (a) the Terms and Conditions and the Agency Agreement duly executed by the Issuer;
  - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Notes, the terms of the Terms and Conditions and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
  - (c) the articles of association and certificates of incorporation of the Issuer;
  - (d) evidence that the person(s) who has/have signed the Terms and Conditions, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer is/are duly authorised to do so; and
  - (e) such other documents and information as is agreed between the Issuer and the Agent.
- 4.2 The Issuing Agent shall pay the Net Proceeds from the issuance of any Subsequent Notes to the Issuer on the later of (i) the date of the issue of such Subsequent Notes and (ii) the date on which the Agent notifies the Issuing Agent that it has received the following, in form and substance satisfactory to the Agent:
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;

- (b) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the issue of the Subsequent Notes; and
  - (c) such other documents and information as is agreed between the Issuer and the Agent.
- 4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 or 4.2 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 4.4 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been satisfied.

## **5. NOTES IN BOOK-ENTRY FORM**

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

## **6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 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 or the Agent has actual knowledge to the contrary.

## **7. PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be

made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. INTEREST**

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

## **9. REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

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

### **9.2 Issuer's purchase of Notes**

The Issuer may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

### **9.3 Voluntary total redemption (call option)**

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full:

- (a) any time prior to the First Call Date, at an amount per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling twelve (12) months prior to the Final Maturity Date, at an amount per Note equal to 103.5 per cent., together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling twelve (12) months prior to the Final Maturity Date to, but excluding, the first Business Day falling six (6) months prior to the Final Maturity Date, at an amount per Note equal to 102.45 per cent., together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling six (6) months prior to the Final Maturity Date to, but excluding, the first Business Day falling three (3) months prior to the Final Maturity Date, at an amount per Note equal to 101.4 per cent., together with accrued but unpaid Interest; and
- (e) any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount, together with accrued but unpaid Interest

9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice, except in respect of a redemption pursuant to Clause (e) for which the Issuer shall give not less than five (5) Business Days' notice, to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

#### **9.4 Early redemption due to illegality (call option)**

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.4.2 The Issuer may give notice of redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

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

9.5.1 Upon the occurrence of a Change of Control Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.

9.5.2 Upon the occurrence of a Listing Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Listing Failure Event pursuant to Clause 10.1.2 (after which time period such right shall lapse) have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.5.3 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and

include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1 and 9.5.2.

- 9.5.4 If Noteholders representing more than 80 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.5, the Issuer shall, no later than five (5) Business Days after the end of the period referred to in Clause 9.5.1 and 9.5.2, send a notice to the remaining Noteholders giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the effective date of such notice. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder 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 Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 9.5.4. The repurchase date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 9.5.4.
- 9.5.5 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.6 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.
- 9.5.7 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event or Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer, or a person designated by the Issuer, shall repurchase any such Notes on the terms set out in this Clause 9.5 within five (5) Business Days after the expiry of the time limit.
- 9.5.8 No repurchase of Notes pursuant to this Clause 9.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 9.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

## **10. INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of JSM Gruppen AB:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period;
  - (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and



- (d) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.
- 10.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- 10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements made available in accordance with Clauses 10.1.1 (a) and (b) the Issuer shall submit to the Agent a compliance certificate containing (i) a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it and (ii) attaching copies of any notices sent to the Regulated Market on which the Note Loan is admitted to trading. The compliance certificate shall be in a form agreed between the Issuer and the Agent and include figures in respect of the financial covenants set out in Clauses 12.1 (*Equity to Total Assets*) and 12.2 (*Interest Cover*) and the basis on which they have been calculated.
- 10.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice or any combination of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 10.2 Information from the Agent and a Noteholders' committee**
- 10.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 15.4, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 10.2.2 Notwithstanding Clause 10.2.1, the Agent shall comply with an agreement regarding the non-disclosure of information received from the Issuer, which is entered into with the members of a Noteholders' Committee and the Issuer pursuant to Clause 15.4.
- 10.3 Information among the Noteholders**
- Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.
- 10.4 Availability of Finance Documents**
- 10.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the JSM Gruppen AB and the Agent.
- 10.4.2 The latest versions of the Finance Documents shall be available from the Agent by email upon request.

## 11. GENERAL UNDERTAKINGS

### 11.1 Business of the Group

The Group shall remain in the business of providing consumer credit to private individuals and/or leasing of assets to small and medium sized enterprises (as applicable), in each case resident, incorporated or established (as applicable) in any of the Permitted Jurisdictions. The Group may also provide deposit taking.

### 11.2 Group structure

Subject to Clause 11.4 (Merger), each Subsidiary shall be (directly or indirectly) a wholly-owned Subsidiary of the Issuer.

### 11.3 Authorisations

The Issuer shall obtain, maintain, and comply with the terms of any authorisation, approval, licence and consent required for the conduct of its business if a failure to do so is reasonably likely to have a material adverse effect on the Issuer's ability to perform and comply with its payment obligations under the Notes.

### 11.4 Merger

11.4.1 The Issuer shall not carry out any merger or other business combination or corporate reorganisation involving consolidating its assets and obligations with any company or entity, except that the Issuer is permitted to (i) carry out any merger or other business combination or corporate reorganisation where the Issuer is the surviving entity, and (ii) merge with another Group Company incorporated in Sweden as transferee (*övertagande bolag*), for the purpose of facilitating a process of gaining license for financing business, in each case where the resulting business operations comply with the terms of Clause 11.1 (*Business of the Group*).

11.4.2 No Subsidiary shall carry out any merger or other business combination or corporate reorganisation involving consolidating its assets and obligations with any company or entity, except (i) with another Group Company or (ii) with a non-Group Company where the Subsidiary is the surviving entity and provided that the resulting business operations comply with the terms of Clause 11.1 (*Business of the Group*).

### 11.5 Acquisitions

The issuer shall not acquire or invest, and shall procure that no Subsidiary acquires or invests, in shares or other ownership interests in any company or entity whose principal business operations do not comply with the business of the Group referred to in Clause 11.1 (*Business of the Group*).

### 11.6 Disposals

11.6.1 The Issuer shall not sell or otherwise dispose of any shares or ownership interests in JSM Capital AB and notwithstanding Clause 11.6.2 shall procure that JSM Capital AB does not sell or otherwise dispose of all or substantially all of its assets.

11.6.2 Subject always to Clause 11.6.1, the Issuer may not sell or otherwise dispose of any shares or ownership interests in any Subsidiary and shall procure that no Subsidiary sells or otherwise disposes of all or substantially all of its assets unless:

- (a) the purchaser or recipient is a Group Company; or
- (b) an amount equal to the Net Disposal Proceeds of such sale or disposal is applied or reinvested:
  - (i) by way of acquiring share capital or partnership interests in any company (or equivalent) which is permitted pursuant to Clause 11.5 (*Acquisitions*) and/or;
  - (ii) in the ordinary course of the Group's business,

in each case provided that such amount is employed within 12 months of the relevant sale or disposal.

#### 11.7 Financial Indebtedness

The Issuer shall not incur or allow to subsist, and shall procure that no other Group Company incurs or allows to subsist, any Financial Indebtedness, except:

- (a) the Initial Notes, any Subsequent Notes and the Existing Notes;
- (b) following from deposit taking;
- (c) Subordinated Debt and other Financial Indebtedness that is subordinated to, or ranked *pari passu* with, the Notes and with a maturity date falling on or after the Final Maturity Date;
- (d) any indebtedness resulting from a dividend, interest payment, group contribution (*koncernbidrag*) or other distribution, subject to Clause 11.9 (*Restricted payments*);
- (e) hedging arrangements and other non-speculative derivative transactions;
- (f) indebtedness between Group Companies;
- (g) guarantees by a Group Company for the obligations of other Group Companies;
- (h) guarantees and normal liabilities having the effect of borrowing in the ordinary course of business with a maximum duration of 180 days;
- (i) finance leases of equipment and machinery used by a Group Company;
- (j) Financial Indebtedness in the total aggregate amount of up to SEK 150,000,000 with one or several banks, financial institutions or other entities which are regularly engaged in making loans; and
- (k) any Financial Indebtedness arrangement not permitted by paragraphs (a) to (j) above, provided that the aggregate amount of such indebtedness does not exceed SEK 15,000,000.

#### 11.8 Negative pledge

The Issuer shall not create or allow to subsist any Security, and shall procure that no other Group Company create or allow to subsist any Security, over any of its present or future assets or revenues, except:

- (a) any Security over cash paid into an escrow account pursuant to any deposit or retention of purchase price arrangements;
- (b) any Security for hedging arrangements and other non-speculative derivative transactions permitted pursuant to paragraph (e) of Clause 11.7 (*Financial Indebtedness*);
- (c) any Security provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of Debt Instruments of the Group are intended to be received;
- (d) any Security agreed to be provided for the benefit of the financing providers in relation to a refinancing of Debt Instruments of the Group, however provided that any perfection requirements in relation thereto are satisfied only after repayment of the Debt Instruments;
- (e) any Security for Financial Indebtedness in the total aggregate amount of up to SEK 150,000,000 with one or several banks, financial institutions or other entities which are regularly engaged in making loans, as permitted pursuant to paragraph (j) of Clause 11.7 (*Financial Indebtedness*); and
- (f) any Security or preferential arrangement not permitted by paragraphs (a) to (e) above, securing Financial Indebtedness the principal amount of which does not in aggregate exceed SEK 15,000,000.

## 11.9 Restricted payments

11.9.1 The Issuer shall always be entitled to pay cash interest not in excess of eight (8) per cent. *per annum* on any Affiliate Debt. Unless permitted to be paid in cash pursuant to Clause 11.9.2, any interest in excess of such rate shall be capitalised and added to the relevant Affiliate Debt.

11.9.2 The Issuer may during any financial year declare, make or pay any dividend, make a cash payment of a group contribution (*koncernbidrag*), make any other distribution of value to its shareholders or pay cash interest in excess of eight (8) per cent. *per annum* on any Affiliate Debt, in an aggregate amount (including the payment or transfer in question) not exceeding an amount equal to fifty (50) per cent. of the sum of:

- (a) the Group's consolidated net profit for the previous financial year;
- (b) the amount of group contributions (*koncernbidrag*) given by the Issuer in the previous financial year; and
- (c) the amount of interest in excess of eight (8) per cent. *per annum* on any Affiliate Debt charged to the Issuer in the previous financial year;

provided that at the time of such payment or transfer:

- (a) Equity to Total Assets pursuant to the most recent consolidated financial statements of the Issuer is not less than 0.20:1, tested pro forma and calculated as if the payment or transfer in question had already occurred; and
- (b) no Event of Default is continuing.

11.9.3 Notwithstanding Clause 11.9.2, the Issuer shall always be entitled to give group contributions (*koncernbidrag*), provided that no cash or other funds are transferred from the Issuer as a result thereof (i.e. the group contributions are merely accounting measures) other than as permitted pursuant to Clause 11.9.2. Any amount of group contributions in excess of what is permitted pursuant to Clause 11.9.2 must be subsequently converted into a shareholder's contribution to the Issuer as soon as practically possible.

## 11.10 Admission to trading

11.10.1 The Issuer shall use its best efforts to ensure that the Note Loan is admitted to trading on the Regulated Market within thirty (30) days after issuance, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

11.10.2 Following an admission to trading, the Issuer shall use its best efforts to maintain the admission for as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

## 11.11 Undertakings relating to the Agency Agreement

11.11.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information 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 Agency Agreement.

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

**11.12 CSD related undertakings**

The Issuer shall keep the Notes affiliated with a CSD and comply with all applicable CSD Regulations.

**12. FINANCIAL UNDERTAKINGS**

The Issuer undertakes for so long as any amount is outstanding under the Notes to comply or, as relevant, procure the compliance with the financial covenants set out in this Clause 12 based on the consolidated financial statements for the Issuer most recently delivered under Clause 10.1.1.

**12.1 Equity to Total Assets**

Equity to Total Assets shall on each Reference Date not be less than 0.15:1.

**12.2 Interest Cover**

Interest Cover shall on each Reference Date not be less than 1.25:1.

**12.3 Equity Cure**

12.3.1 If any of the ratios set out in Clauses 12.1 (*Equity to Total Assets*) and 12.2 (*Interest Cover*) are not met on the applicable Reference Date, the Issuer may cure the relevant breach by recalculating the applicable ratio following the contribution of New Investments in accordance with Clause 12.3.3 or 12.3.4, as applicable.

12.3.2 In order to cure a breach of a financial undertaking, the recalculation must be made no later than fifteen (15) Business Days after the delivery of the compliance certificate relating to the Reference Period to which the recalculation is attributable.

12.3.3 On recalculating the ratio set out in Clause 12.1 (*Equity to Total Assets*), the amount of the New Investments shall be added to Equity and Total Assets and be deemed to have been contributed immediately prior to the relevant Reference Date.

12.3.4 On recalculating the ratio set out in Clause 12.2 (*Interest Cover*), the amount of the New Investments shall be deemed to have reduced the Financial Indebtedness of the Group by the same amount as if there had been a prepayment of such Financial Indebtedness on the first day of the relevant Reference Period and the Consolidated Financial Payable for that Reference Period shall be recalculated based on the reduced amount of Financial Indebtedness.

12.3.5 In respect of each ratio, no more than two (2) recalculations may be made during the life of the Notes, with a period of no less than six (6) months between each recalculation. At least 50 per cent. of the proceeds of the New Investment received for the purpose of curing a breach of a financial undertaking shall immediately upon receipt by the Issuer be used toward prepayment of Financial Indebtedness of the Group.

**13. ACCELERATION OF THE NOTES**

13.1 The Agent is entitled to, and shall promptly following an instruction given pursuant to Clause 13.4, on behalf of the Noteholders by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent so determines, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with Clauses 12.1 (*Equity to Total Assets*) or 12.2 (*Interest Cover*), unless the non-compliance is cured in accordance with Clause 12.3 (*Equity Cure*);

- (c) the Issuer does not comply with any material terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) and (b) above), unless the non-compliance:
    - (i) is capable of remedy; and
    - (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice to the Issuer and the Issuer becoming aware of the non-compliance;
  - (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
  - (e) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
  - (f) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any material asset of a Group Company and is not discharged within forty (40) Business Days; or
  - (g) 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) on the part of the relevant Group Company, provided that no Event of Default will occur under this paragraph (g) if the aggregate amount of such Financial Indebtedness referred to herein is less than SEK 10,000,000.
- 13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 13.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 12, up to, but excluding the First Call Date, the Issuer shall redeem all Notes at an amount per Note equal to 100 per cent. of the Nominal Amount plus the Applicable Premium, together with accrued but unpaid Interest, and thereafter, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption*).

#### **14. DISTRIBUTION OF PROCEEDS**

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 12 (*Acceleration of the Notes*) 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 in accordance with the Agency Agreement (other than

any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.13, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (b) *secondly*, in or towards payment *pro rata* of any cost and expenses incurred by a Noteholders' Committee in accordance with an agreement with the Issuer pursuant to Clause 15.5 that have not been reimbursed by the Issuer, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be reimbursed by the Issuer;
- (c) *thirdly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (d) *fourthly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (e) *fifthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a) or (b), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a) or (b).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## 15. NOTEHOLDERS' COMMITTEE

- 15.1 The Noteholders may appoint a committee (a "**Noteholders' Committee**") to represent the interests of the Noteholders. A Noteholders' Committee shall consist of no less than three (3) natural persons. All members of a Noteholders' Committee shall be elected at a Noteholders' Meeting.
- 15.2 Each Noteholder is entitled to nominate candidates to the Noteholders' Committee by notice to Agent no later than two (2) Business Days prior to the Noteholders' Meeting. At the Noteholders Meeting all candidates so nominated shall be presented to the Noteholders. Each Noteholder that is entitled to vote shall for such election have the same number of votes to cast for each Note as the total number of persons to be elected. A Noteholder may cast its votes for one or several of the candidates. The candidates that receive the most votes shall be elected to the Noteholders' Committee.
- 15.3 A Noteholders' Committee may enter into discussions with the Issuer and other creditors of the Issuer and by majority decision among its members (i) adopt such procedural rules as it considers appropriate and (ii) prepare proposals and recommendations to the Noteholders. A Noteholders'

Committee may not bind the Noteholders to any agreement or decision. The Agent shall provide reasonable assistance to the Noteholders' Committee and participate in its meetings.

- 15.4 The Noteholders' Committee may agree with the Issuer not to disclose information received from the Issuer provided that it, in the reasonable opinion of the Noteholders' Committee, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the Noteholders' Committee.
- 15.5 The Noteholders' Committee and the Issuer may agree that the Issuer shall pay certain costs and expenses incurred by the Noteholders' Committee. Otherwise the Noteholders' Committee is not entitled to be reimbursed for any costs or expenses.

## **16. DECISIONS BY NOTEHOLDERS**

- 16.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting. Notwithstanding the foregoing, the appointment of a Noteholders' Committee shall always be dealt with at a Noteholders' Meeting.
- 16.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Noteholders' 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 Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 16.5 The following matters shall require the consent of Noteholders representing at least sixty-six (66) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
  - (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16;
  - (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;



- (g) a mandatory exchange of the Notes for other securities; and
  - (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)), an acceleration of the Notes or the appointment of a Noteholders' Committee.
- 16.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.5, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.8, the date of request of the second Noteholders' Meeting pursuant to Clause 17.1 or second Written Procedure pursuant to Clause 18.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.7 shall not apply to such second Noteholders' 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 the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 16.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.14 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall

not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.

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

## **17. NOTEHOLDERS' MEETING**

- 17.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 17.1 with a copy to the Agent. After a request from the Noteholders 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 Noteholders' 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 Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting (such day must fall no earlier than one (1) Business Day after the effective date of the notice), and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 17.4 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 17.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **18. WRITTEN PROCEDURE**

- 18.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Noteholder 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 Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights (such day must fall no earlier than one (1) Business Day after the effective date of the communication), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of 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 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 Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 19.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 19.3 The Agent shall promptly notify the Noteholders 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 the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 19.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **20.1 Appointment of the Agent**

- 20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and 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 Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

**20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents,. Except as specified in Clause 4 (*Conditions for disbursement*), the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 20.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interests of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 20.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 20.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 20.2.9 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.8.

**20.3 Limited liability for the Agent**

- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect 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 engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- 20.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

#### **20.4 Replacement of the Agent**

- 20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 20.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the 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 the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with 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 the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

### **21. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as

new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

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

## **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 CSD Regulations and the other regulations applicable to the Notes.

- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

## **23. NO DIRECT ACTIONS BY NOTEHOLDERS**

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

- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.9 before a Noteholder may take any action referred to in Clause 23.1.

- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event*) or other payments which are due by the Issuer to some but not all Noteholders.

## **24. PRESCRIPTION**

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

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

## 25. NOTICES AND PRESS RELEASES

### 25.1 Notices

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address specified on its website (www.intertrustgroup.com) on the Business Day prior to dispatch or by email trustee@intertrustgroup.com or as notified by the Agent;
  - (b) if to the Issuer, shall be given at the address specified on JSM Gruppen AB's website (www.jsmgruppen.com) on the Business Day prior to dispatch; and
  - (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of JSM Gruppen AB and the Agent.
- 25.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1.
- 25.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

### 25.2 Press releases

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality*), 10.1.2, 13.3, 16.15, 17.1, 18.1 and 19.3 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 Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## 26. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 26.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 26.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing 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 Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

**27. GOVERNING LAW AND JURISDICTION**

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



## ADDRESSES

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