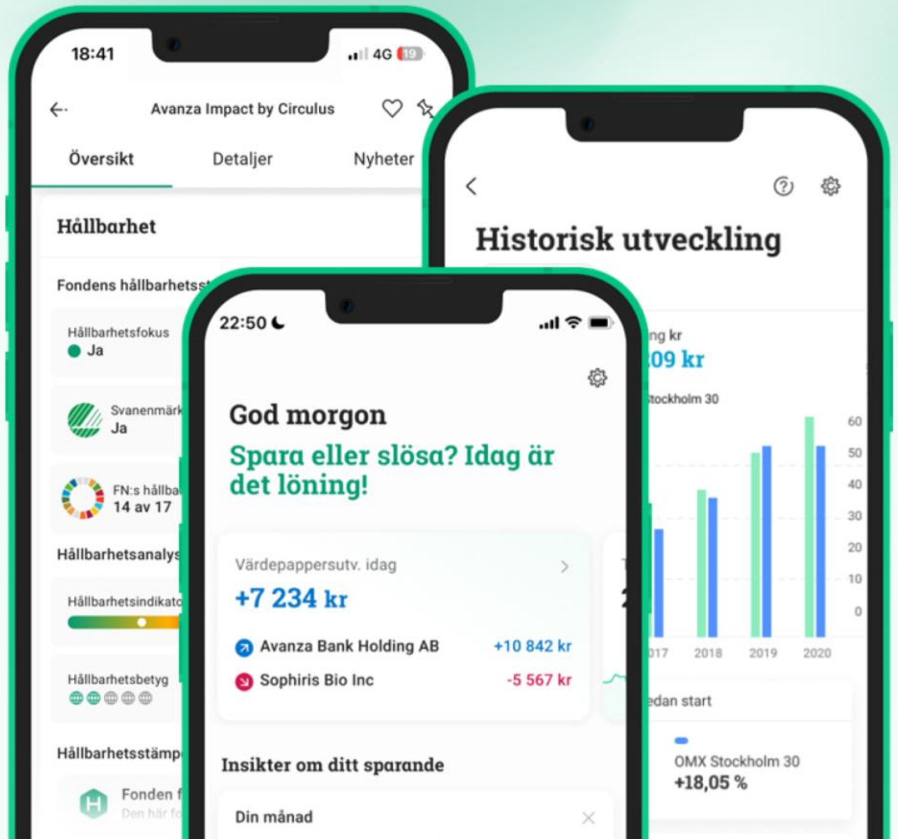
24 March 2026

AVANZA



Additional Tier 1

Investor presentation

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AVANZA

Brief introduction to management and today's speakers

Gustaf Unger
CEO

CEO since 2024

Recent roles include:
- 2021–2024 Co-Founder, Intelligent Debt Finance AB
- 2022–2024 Board Member, Nordnet
- 2020–2021 Head of Private Banking and Investment & Securities Advice, Nordea
- 2018–2019 Co-Head of Wealth Management, Nordea
- 2017–2018 Head of Life & Pensions, Nordea

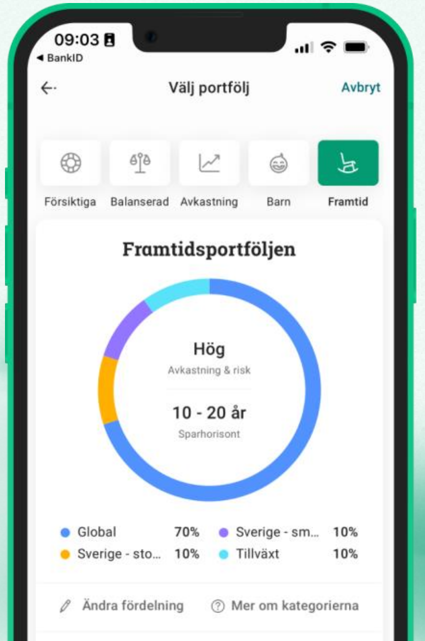
Education:
- Ph.D. in Financial Mathematics, ETH Zürich
- M.Sc. in Engineering, Royal Institute of Technology
- M.Sc. in Business Administration and Economics, Stockholm University

Jonas Svärling
CFO

CFO since 2 January 2026

Recent roles include:
- 2025–2025 CFO and COO, SEB Business and Retail Banking Division
- 2020–2025 Co-Head Retail Banking Sweden, SEB Business & Retail Banking Division
- 2018–2020 CFO, SEB Business & Retail Banking Division
- 2015–2018 CFO and Head of Finance & Legal, SEB Kort Group
- 2010–2015 Head of Group Balance Sheet Management, SEB Group Treasury
- 2007–2010 Division Capital Manager, SEB Corporate & Investment Banking Division
- 2005–2007 Risk Analyst, SEB Corporate & Investment Banking Division

Education:
- M.Sc. Engineering Physics, KTH Royal Institute of Technology
- M.Sc. Business Administration and Economics, Stockholm School of Economics



Key highlights & credit rationale

Key credit investment highlights

- By far the leading player in the Swedish savings and investments market
- All lending is collateralised – no realised credit losses over the past 10 years
- Capital light and scalable business model
- Strong capital position with stable leverage ratio and prudent buffers
- Strong historical organic growth with significant further opportunities ahead
- Well-developed platform with world class user experience

Transaction rationale

AT1 SEK PerpNC5.25

- Maintaining Avanza's strong capital position
- Optimising Avanza's capital structure while enhancing the leverage ratio
- Taking advantage of favourable growth opportunities

The Avanza Group

Issuing entity

Avanza Bank Holding AB (publ)

100%	100%	100%	100%
Avanza Bank AB (publ)	Placera Media Stockholm AB	Försäkringsaktiebolaget Avanza Pension	Avanza Fonder AB

The Avanza Group also includes the wholly owned subsidiaries Avanza Förvaltning AB, whose sole purpose is to acquire and further transfer warrants in the incentive programmes resolved by the General Meeting, as well as Sigmastocks AB and Sigmastocks Neo AB, which were acquired in 2025 but have not conducted any significant operations

AVANZA

Sweden's leading platform for savings and investments

No. 1 long-term target is to have the most satisfied savings customers in Sweden – won for the last 16 consecutive years

SQI, December 2025

Churn, %

1.3

31 December 2025

2,276,100 customers

28 February 2026

SEK 1,124 bn in savings capital

28 February 2026

697

Average no. employees and an eNPS of

57

Yearly average 2025

Daily active users R12M ~ 455,200

31 December 2025

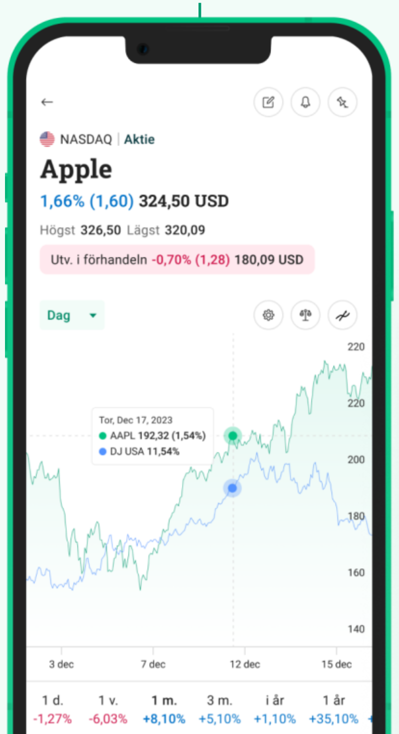
8.3% **Market share of the Swedish savings market**

31 December 2025

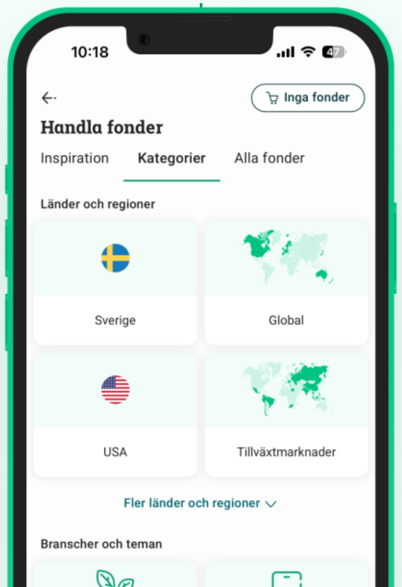
AVANZA

Over 80,000 investment opportunities, together with decision-making tools, inspiration and education

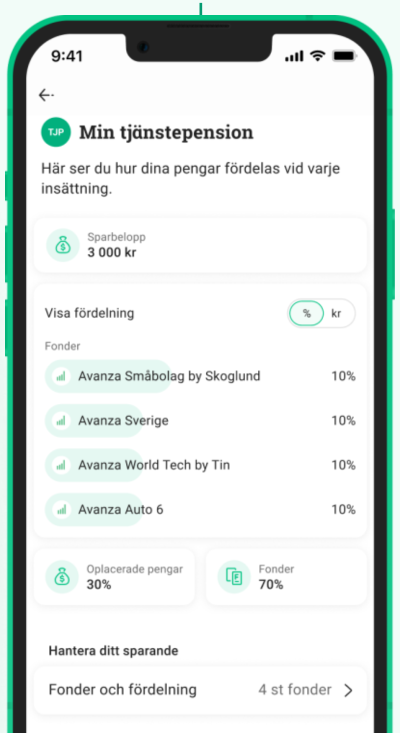
Equity trading



Mutual funds

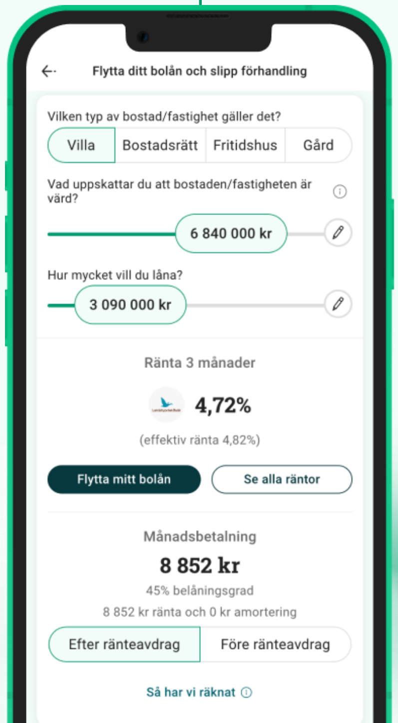


Retirement plans



Savings accounts

Mortgages and margin lending



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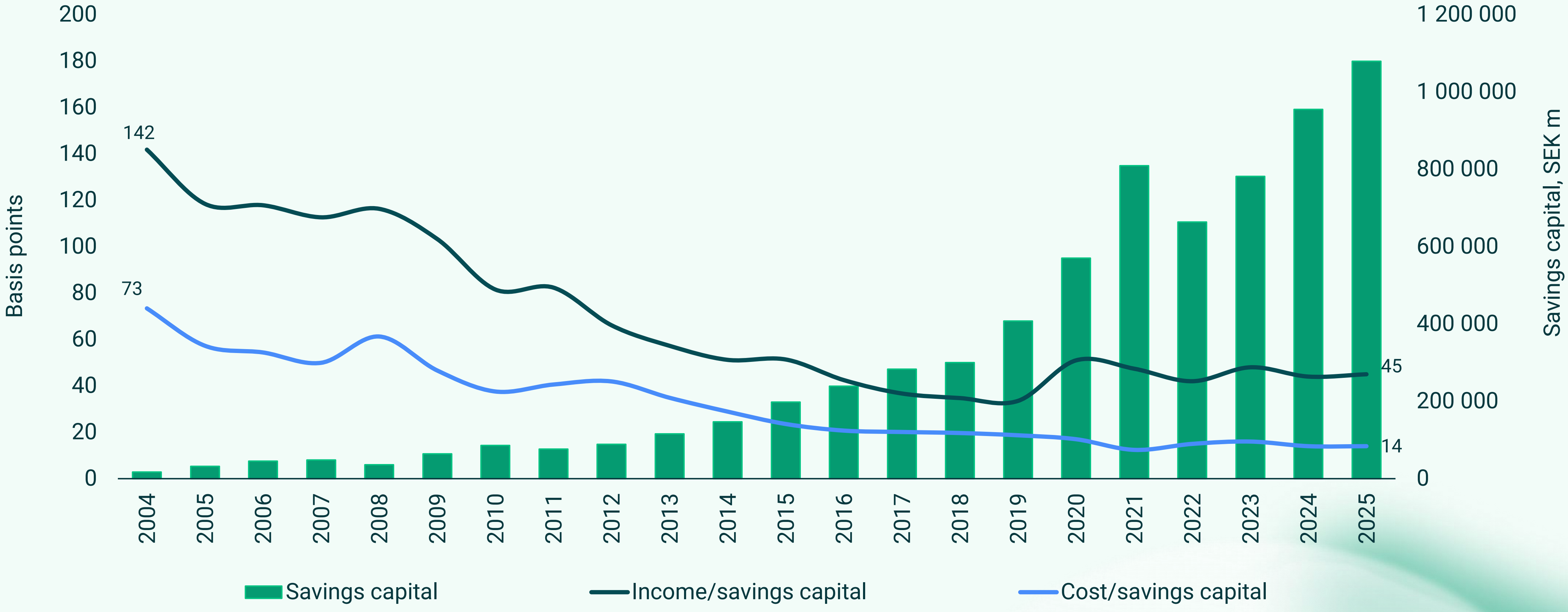
Business model built on scale

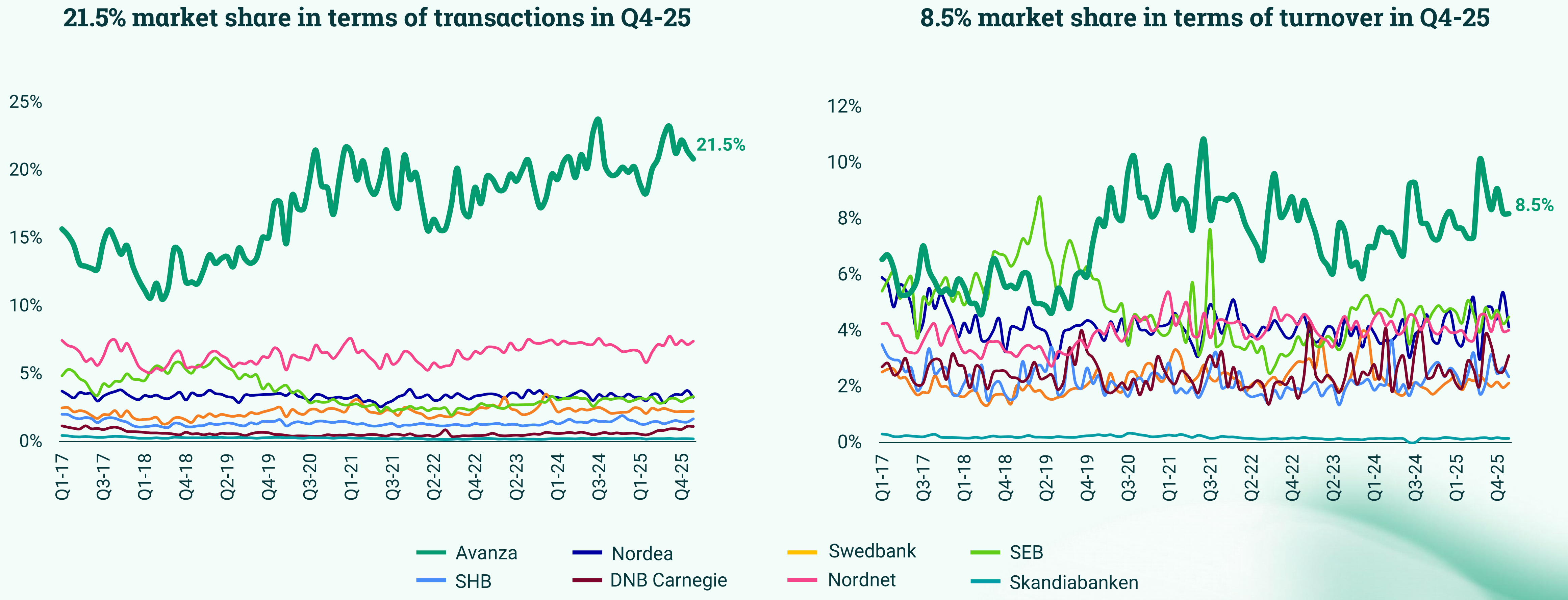


Resilient business model

- Mainly fixed costs, ~60% staff related
- High scalability
- Self-financed through shareholders’ equity and customer deposits
- High-interest rate resilience
- Capital-efficient and low risk balance sheet

AVANZA

The largest Swedish participant in stock market transactions and turnover on Nasdaq OMX and First North



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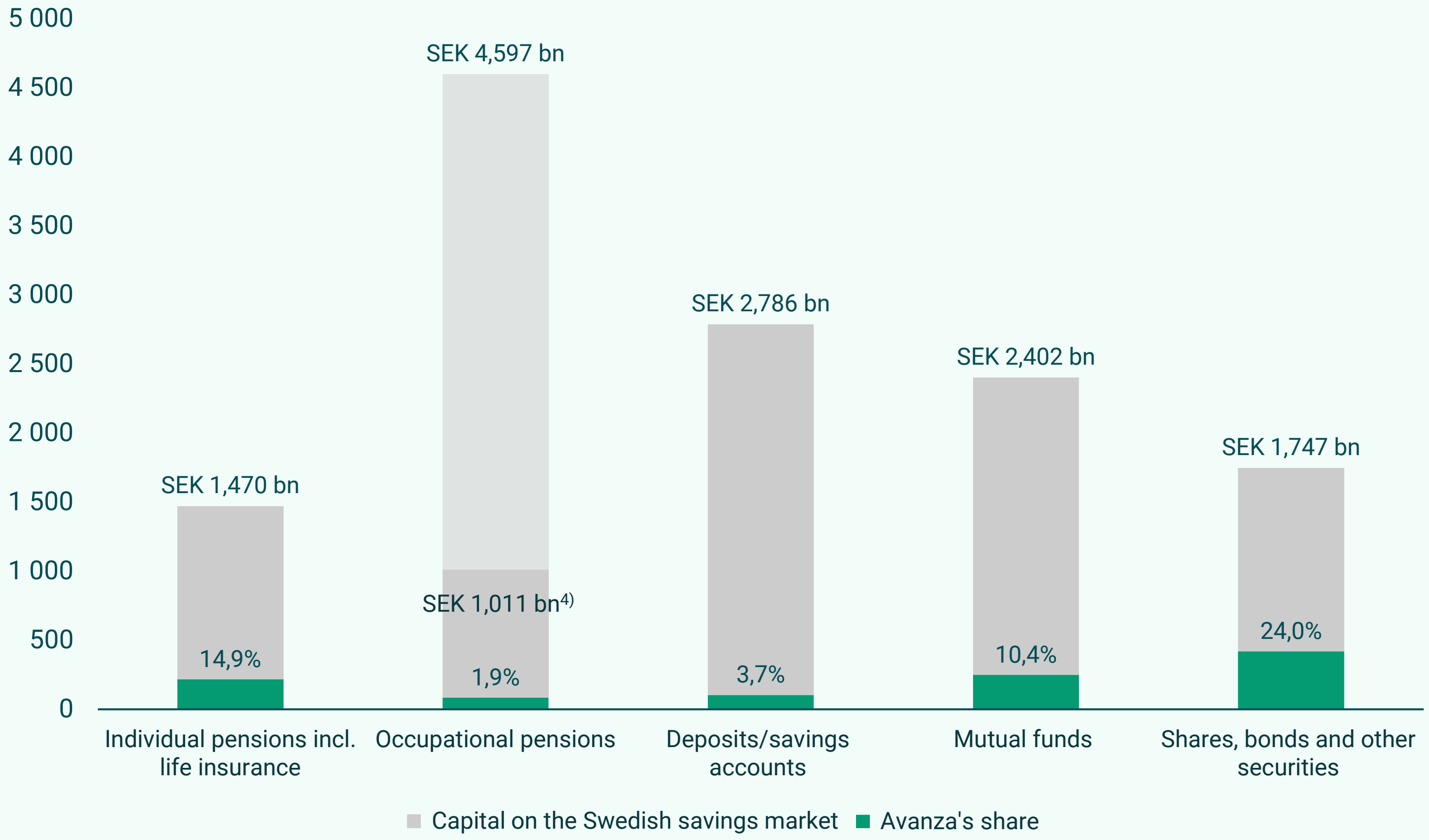
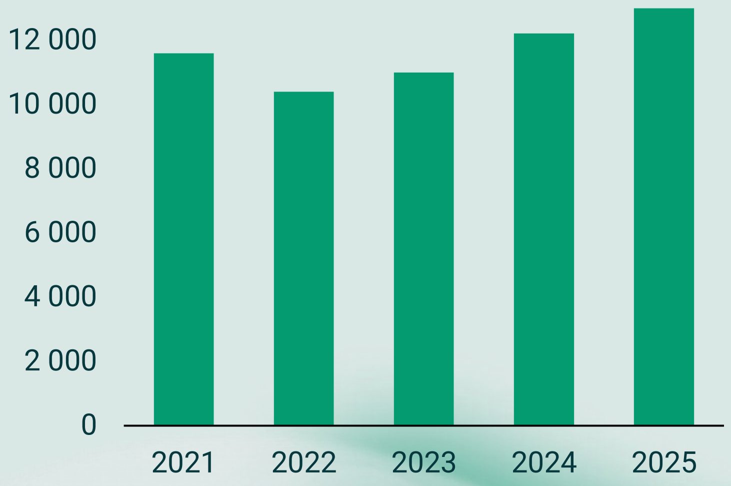
Significant growth potential with 8.3% market share of the Swedish savings market



The Swedish savings market, SEK bn

- Comprises SEK 13,000 bn[1)]
- Average annual market growth of 6% the last ten years[1)]
- More than 70% of the Swedish population saves in funds[2)] and around 25% own shares[3)]

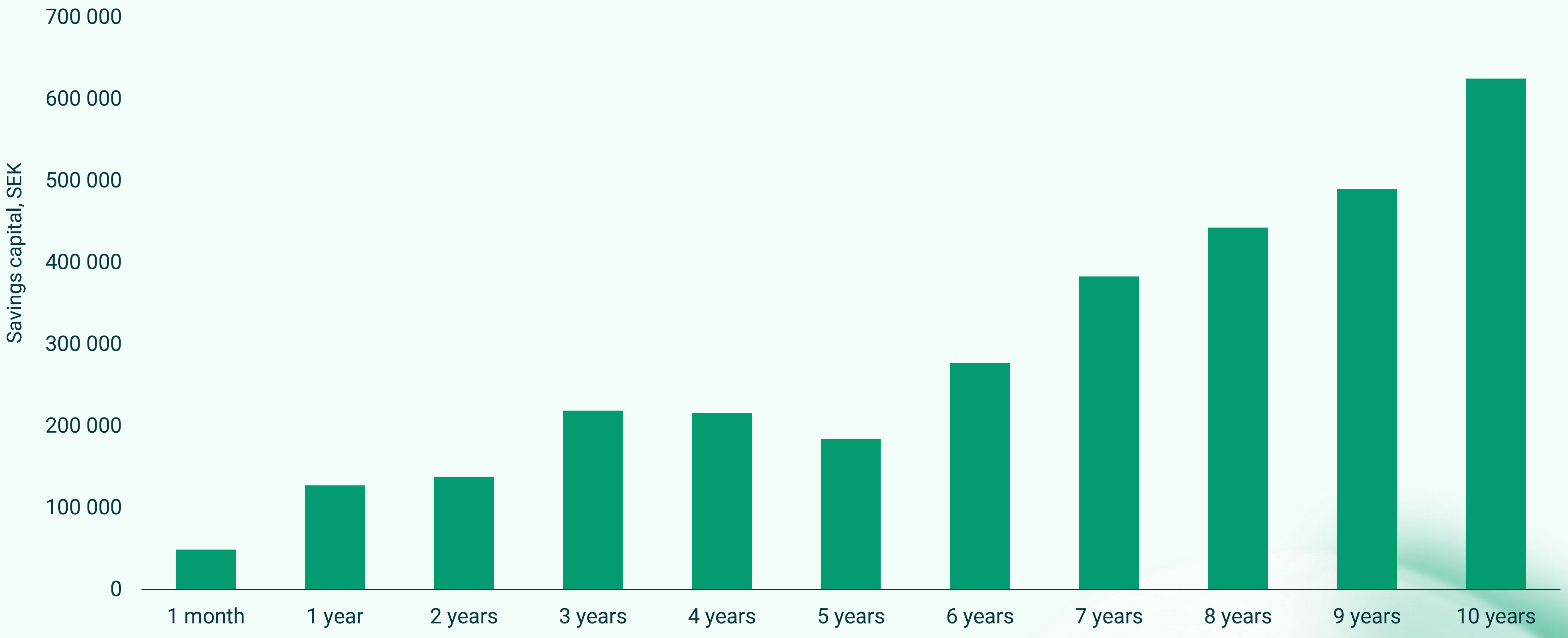


[1)] SCB data as of 31 December 2025
[2)] Fondbolagens förening, data as of 2024
[3)] Euroclear data as of 31 December 2025

[4)] The occupational pension market can be divided into traditional life and unit-linked insurance. Traditional life stands for 55 per cent and unit-linked for around 45 per cent. Avanza is active within unit-linked insurance outside of collectively agreed occupational pensions, which at the end of 2024 was valued at SEK 1,011 billion. The figures are published with a lag

AVANZA

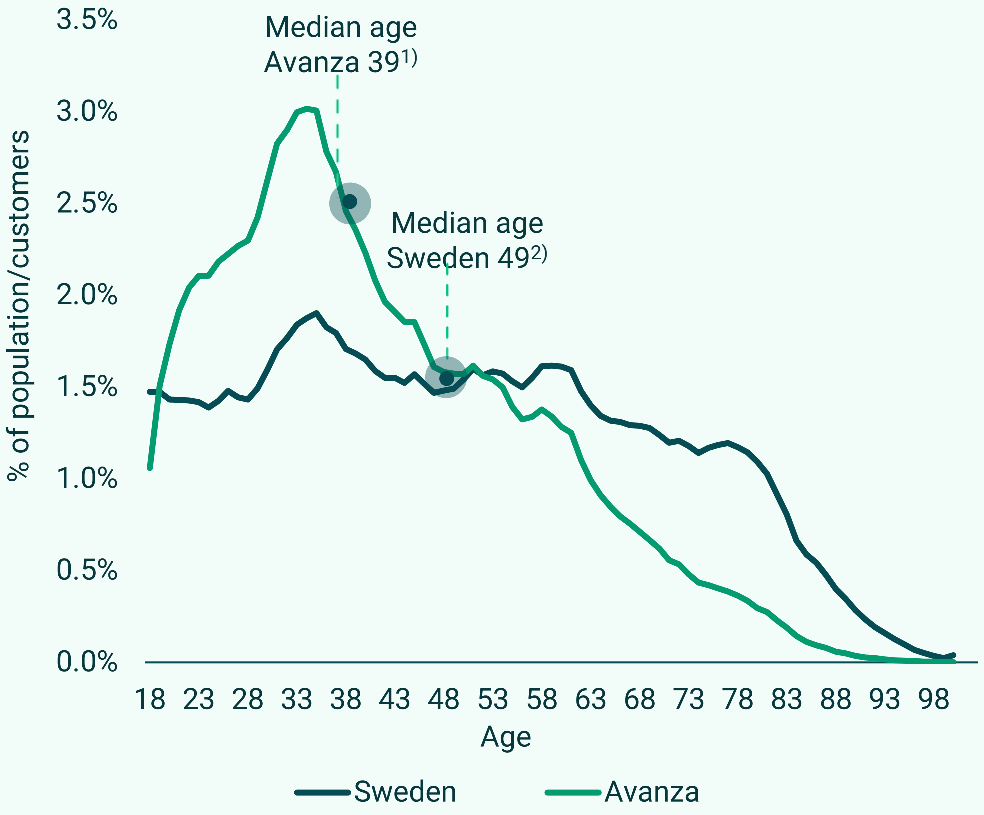
Average savings capital grows by number of years as a customer at Avanza



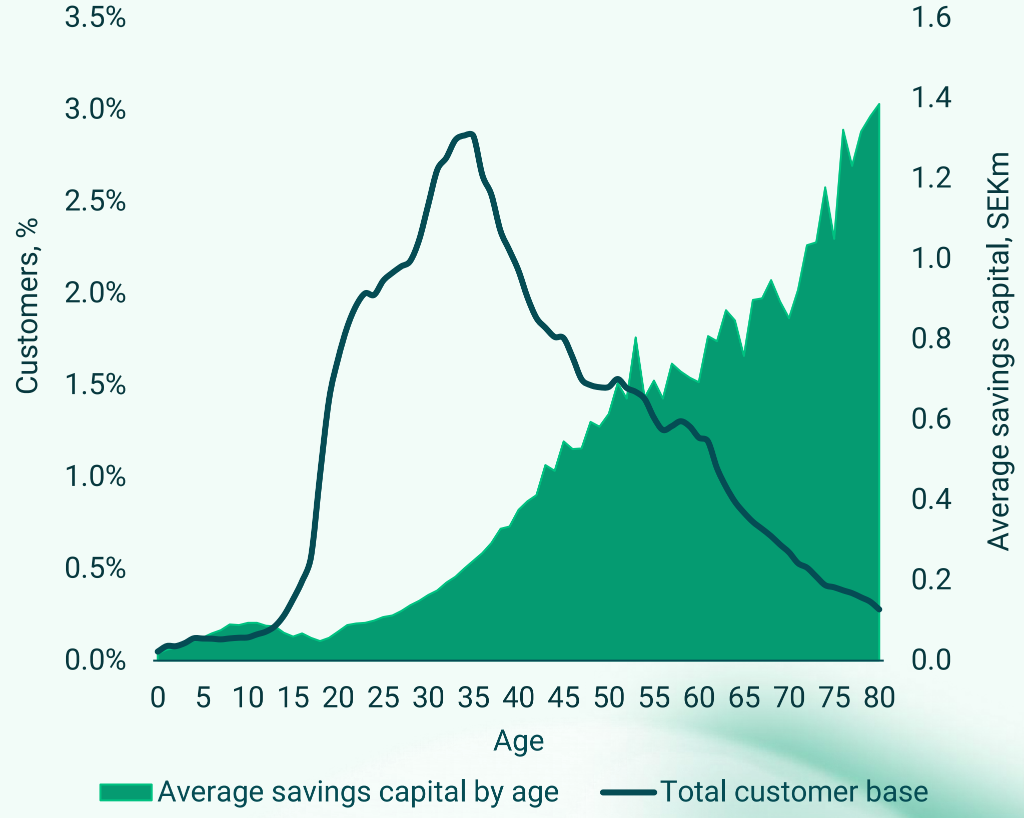
AVANZA

Strong potential to capitalise on generational wealth transfer

A young customer base

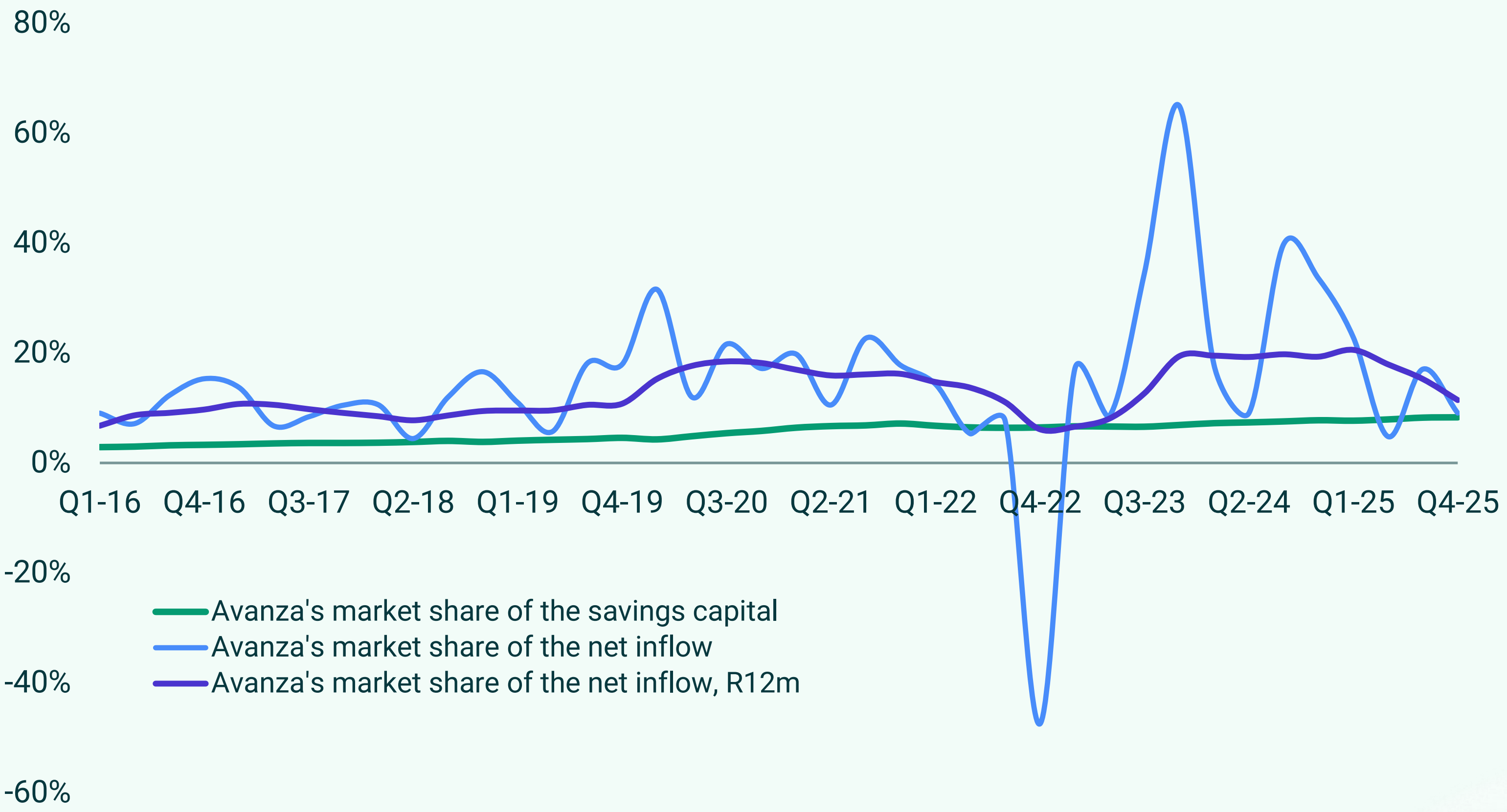


Well-positioned for future savings accumulation



 1) 31 December 2025 2) SCB, November 2025

Delta between front- and backbook market shares illustrates a great possibility to continue to grow market shares



- **11.4%** market share of the net inflow to the savings market R12M as of Q4 2025
- **8.3%** backbook market share
- The net inflow to Avanza is seasonally higher in Q1 and lower in Q2. In Q2 this is due to dividends, tax refunds, higher pension premiums and partly annual payments to contractual pensions, which are not included in Avanza's customer offering
- Q4 2022 includes a portfolio sale of collectively agreed occupational pensions of SEK 2.4 billion to Futur Pension
- Avanza's share of the net inflow was affected by large outflows in deposits and individual pensions at other institutions in Q4 2023 as well as outflows in deposits in Q3 2024

SCB has revised the statistics for the entire time series in Q3 2024, with additional adjustments in Q4 2024, Q1 2025 and in Q4 2025. As a result, historical figures have been updated

AVANZA

Social, environmental and economic sustainability are reflected in what we do and who we are

Sustainable investments

Sustainable investments play a central role in the transition, and Avanza's ambition is to be the obvious choice for everyone who wants to invest sustainably. It should be easy for our customers to identify and invest in sustainable choices. Through information and inspiration, we encourage sustainable choices.

Savings for millions

By educating within personal finance and savings and investments, as well as driving opinion and challenging convention, we want to create opportunities for more people to be financially empowered. Contributing to greater gender equality in savings is a key element in our sustainability work and we work actively to reach women.

Responsible organisation

We operate in an industry built on trust and ensuring good governance and control is part of our core business. Our governance is based on thorough processes, effective control and clear lines of responsibility. Avanza should be an attractive workplace for those who value gender equality and a limited carbon footprint.

AVANZA

AVANZA

Strong position and asset quality

Limited on balance sheet lending

SEK 27.5 bn

31 December 2025

No realised credit losses for over 10 years

On balance sheet deposits

SEK 101.0 bn

31 December 2025

22.3%
CET1 ratio

4.4%
Leverage ratio

31 December 2025

Solid financial position

40%
ROE

59%
Profit margin

January – December 2025

High platform availability

99.9%

January – December 2025

AVANZA

Strategic priorities 2030: Long-term value growth

Growth	**15%** average annual savings capital growth by 2030
Cost efficiency	Annual average cost increase at **8%**, with 2024 as base year
Return on equity	ROE of at least **35%**
Dividend	Dividend policy of **70%** of net profit, taking capital requirements into account

AVANZA

Financial overview

	Q4 2025	Q3 2025	Δ	2025	2024	Δ
Operating income, SEK m	1,139	1,142	*0%*	4,495	3,900	*15%*
Operating expenses, SEK m	-402	-324	*24%*	-1,413	-1,280	*10%*
Operating profit, SEK m	**733**	**818**	***-10%***	**3,078**	**2,621**	***17%***
Operating margin, %	64	72	*-7pp*	68	67	*1pp*
Income to savings capital ratio, %	0.43	0.45	*-0.02pp*	0.45	0.44	*1pp*
Costs to savings capital ratio, %	0.15	0.13	*0.02pp*	0.14	0.14	*0pp*
ROE, %	36	45	*-9pp*	40	38	*1pp*
EPS, SEK	3.90	4.37	*-11%*	16.57	14.33	*16%*

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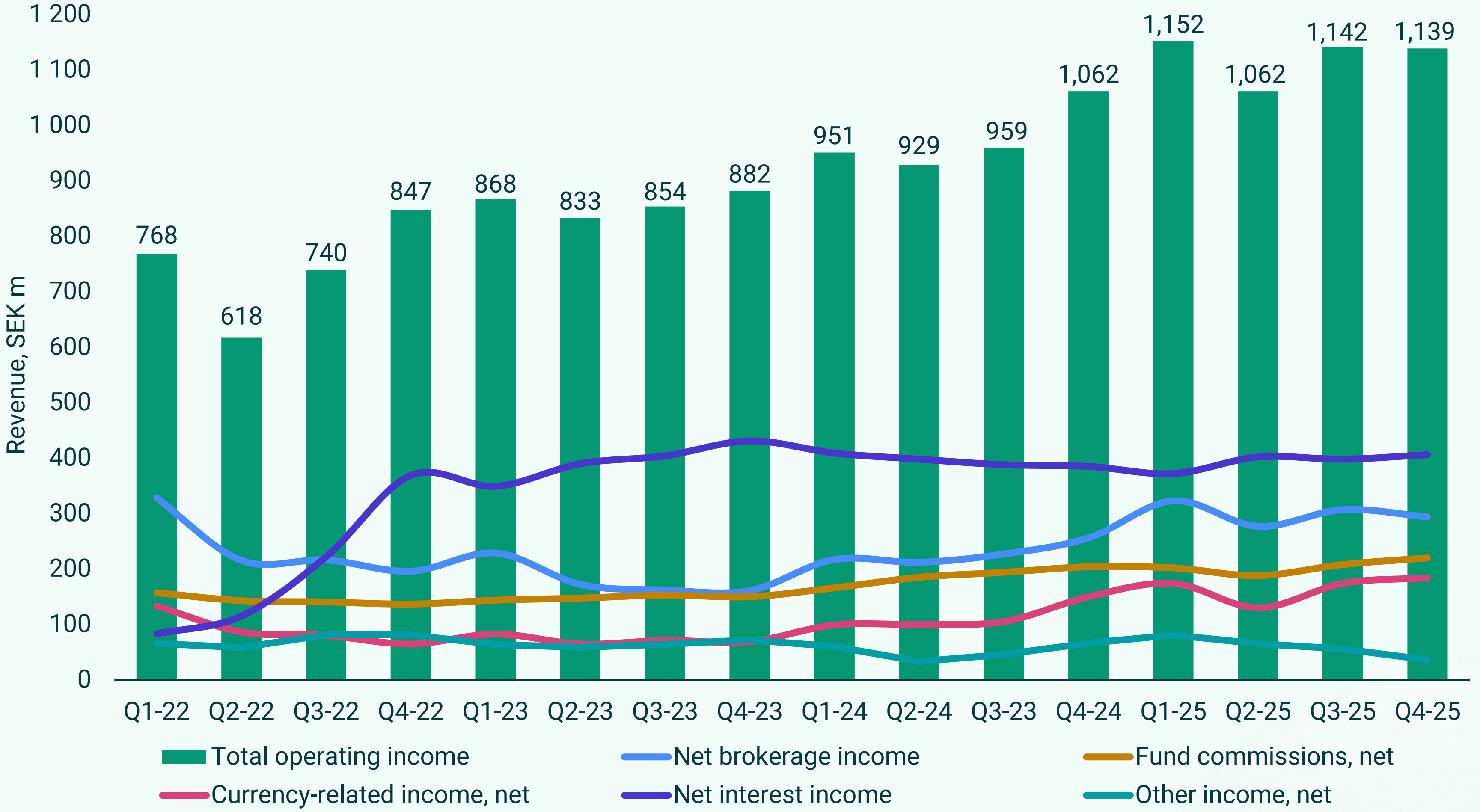
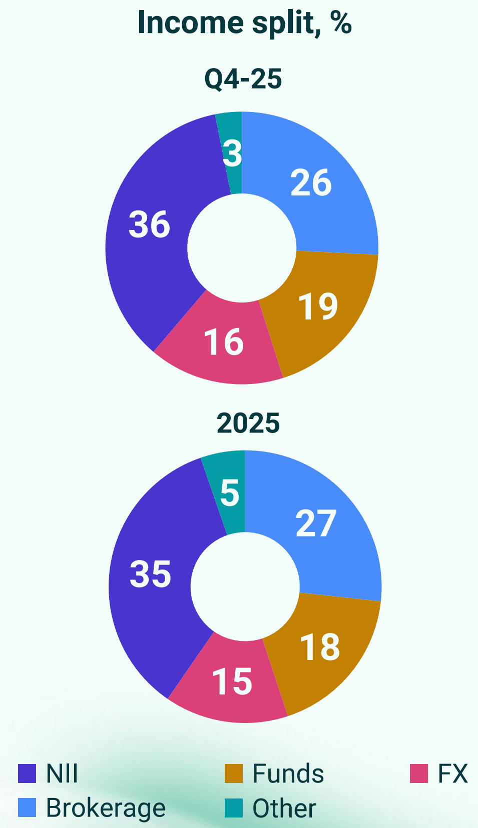
Strong business model with well diversified income streams





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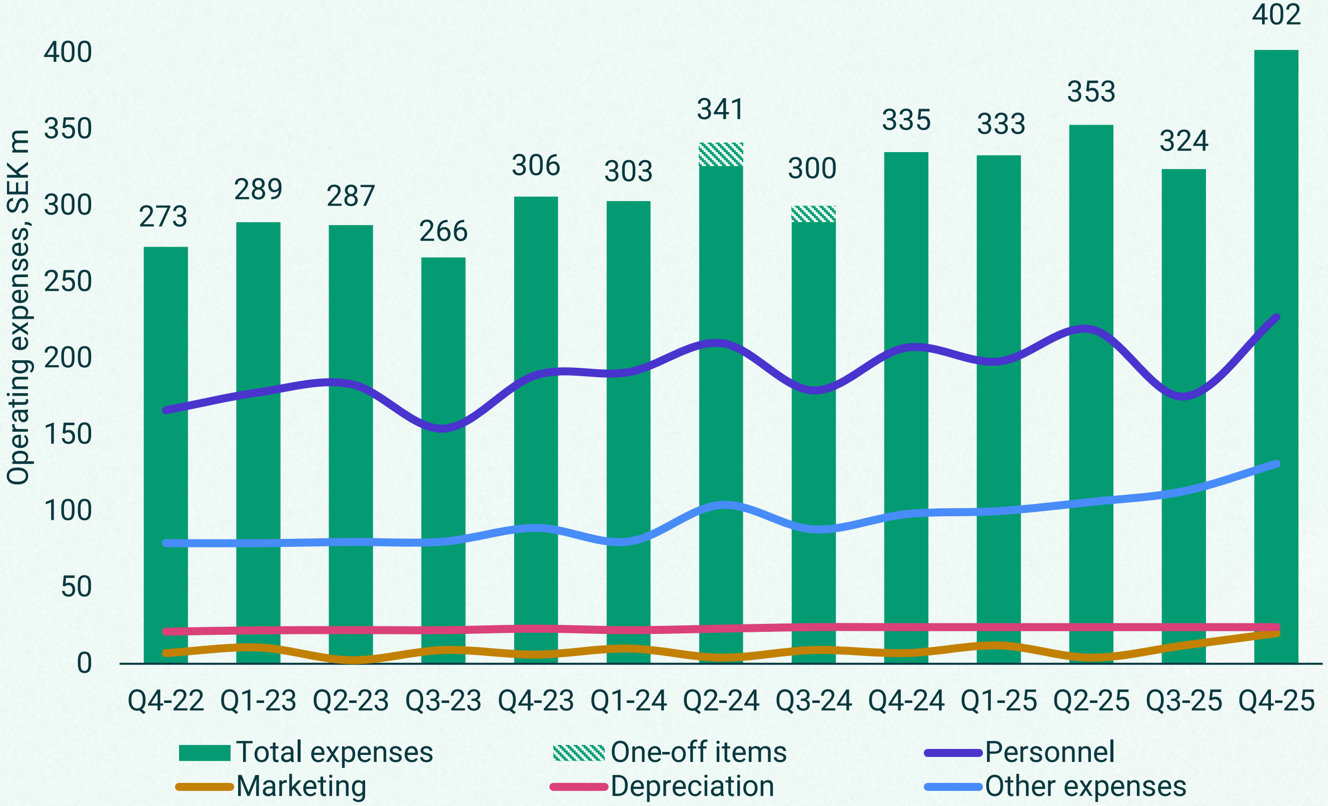
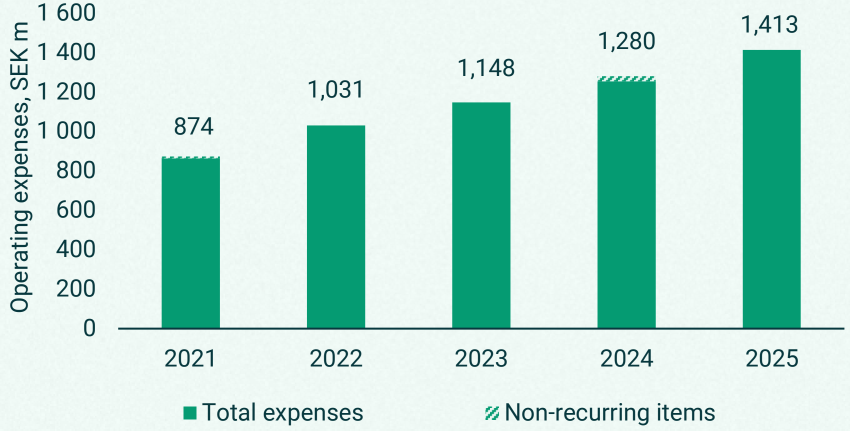
Cost development according to plan

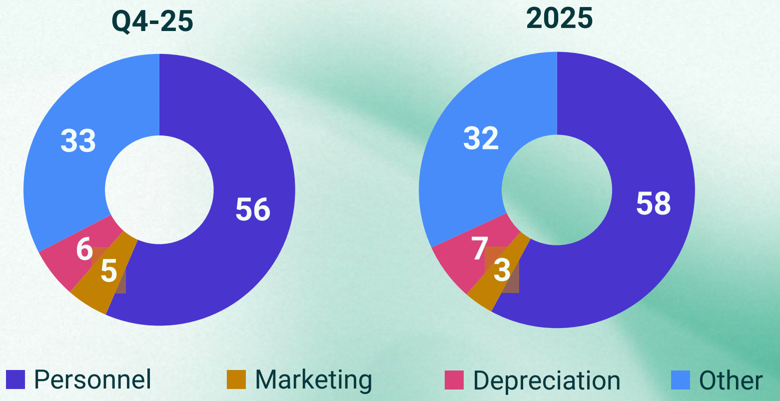
- Long-term target is an average annual cost growth of 8% 2025-2030, with cost growth being higher at the beginning of the period, reaching 5% by 2030
- Annual cost increase within guidance at 10.4% in 2025
- Cost increase estimated at 9% in 2026 – related to strategic priorities



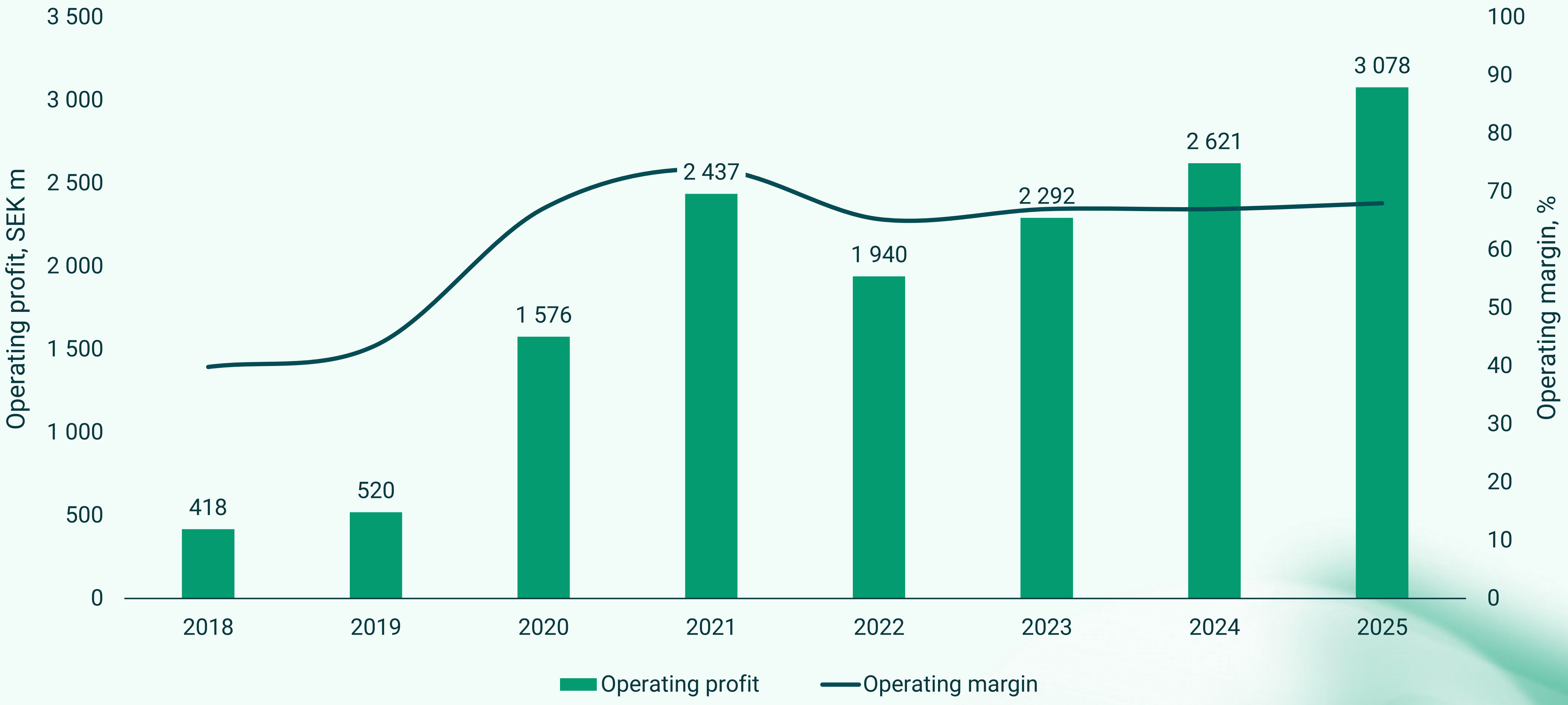
Annual cost increase of 10.4% 2025



Cost split, %



Stable profitability



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Balance sheet, 31 December 2025

Assets	SEK m	Liabilities & Equity	SEK m
Lending to credit institutions[1)]	20,268	Deposits	100,989
Loans to the public	27,542	Liabilities in insurance operations	304,781
Bonds	59,596	Other liabilities	3,353
Assets in insurance operations	304,778	Shareholders’ equity	7,930
Other assets	4,870		
Total assets	**417,053**	**Total liabilities and shareholders’ equity**	**417,053**

Comments

- Primarily **self-financed** through shareholders’ equity and customer deposits
- **Surplus-liquidity of SEK 79,863 m** invested in **covered bonds**, at the **Riksbank** and **O/N**
- The value of the insurance liabilities tracks the value of the insurance assets since the policyholders bear the direct investment risk. **No products with guaranteed return is offered**

1) Including balances at central banks and treasury bills eligible for refinancing

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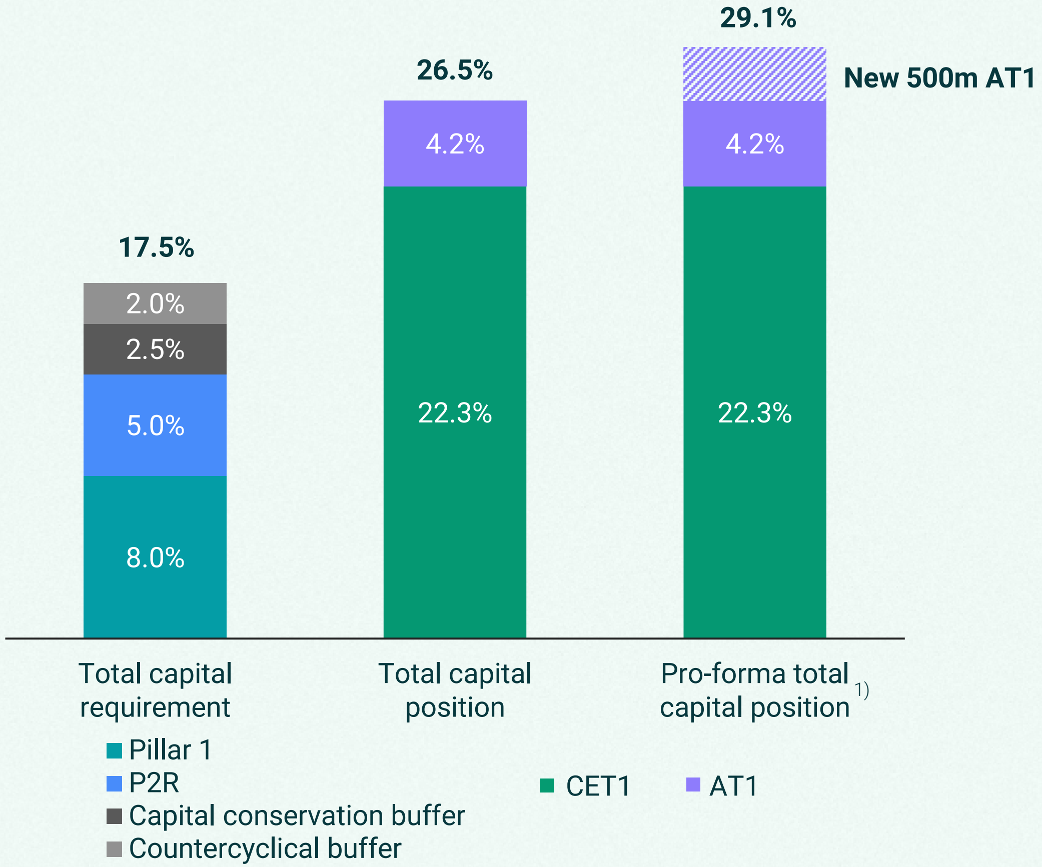
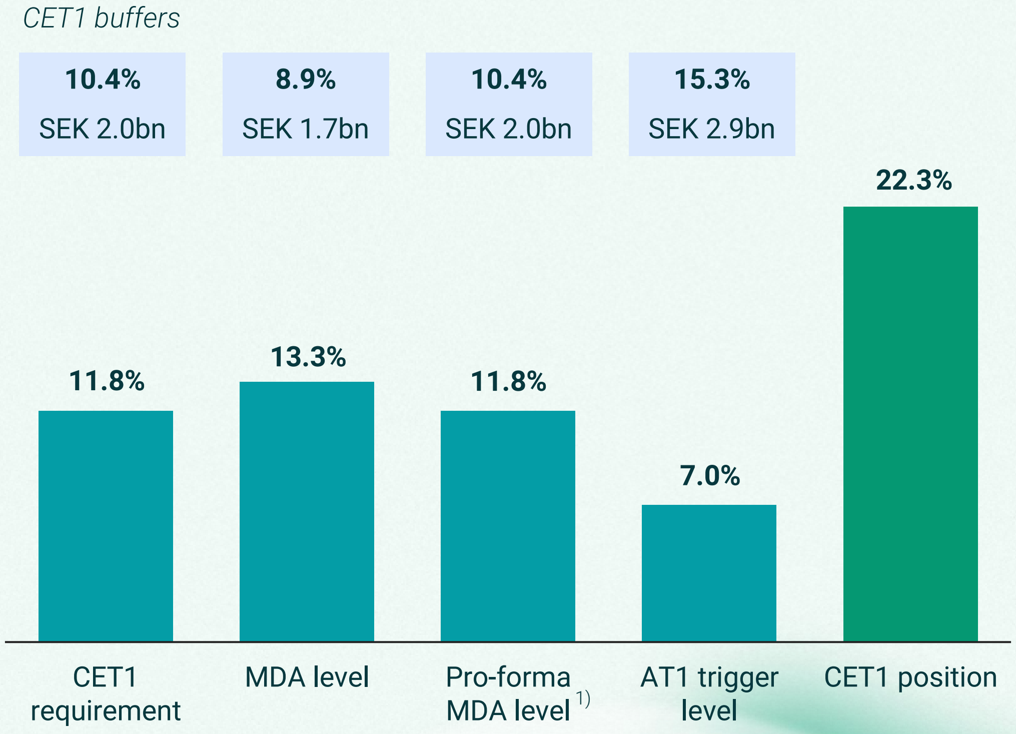
Capital position & capital requirements

Illustrative pro-forma capitalisation

Total capital position



CET1 position and CET1 buffers

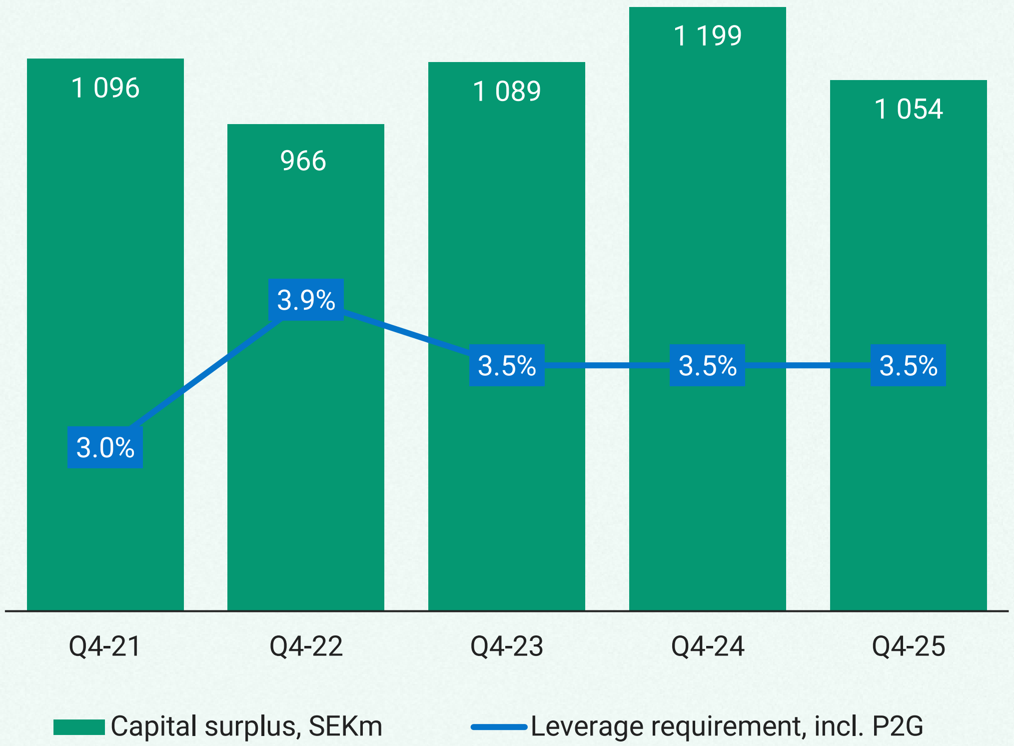


1) Illustrative pro-forma capitalisation adjusted to reflect Avanza's capitalisation / buffers given the issuance of planned AT1 notes with an expected size of SEK 500m

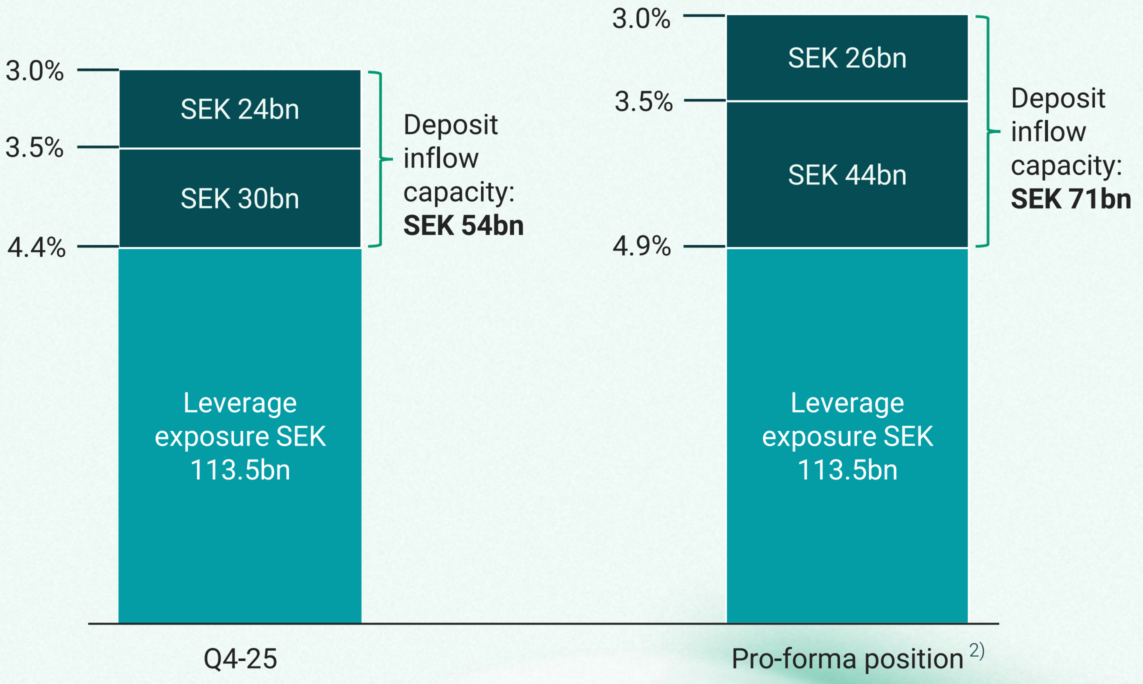
AVANZA

Capital surplus & deposit inflow capacity

Capital surplus above the leverage requirement[1)]



Leverage ratio & deposit inflow capacity



1) Incl. P2G 2) Illustrative pro-forma capitalisation to reflect Avanza's position given the issuance of planned AT1 notes with an expected size of SEK 500m

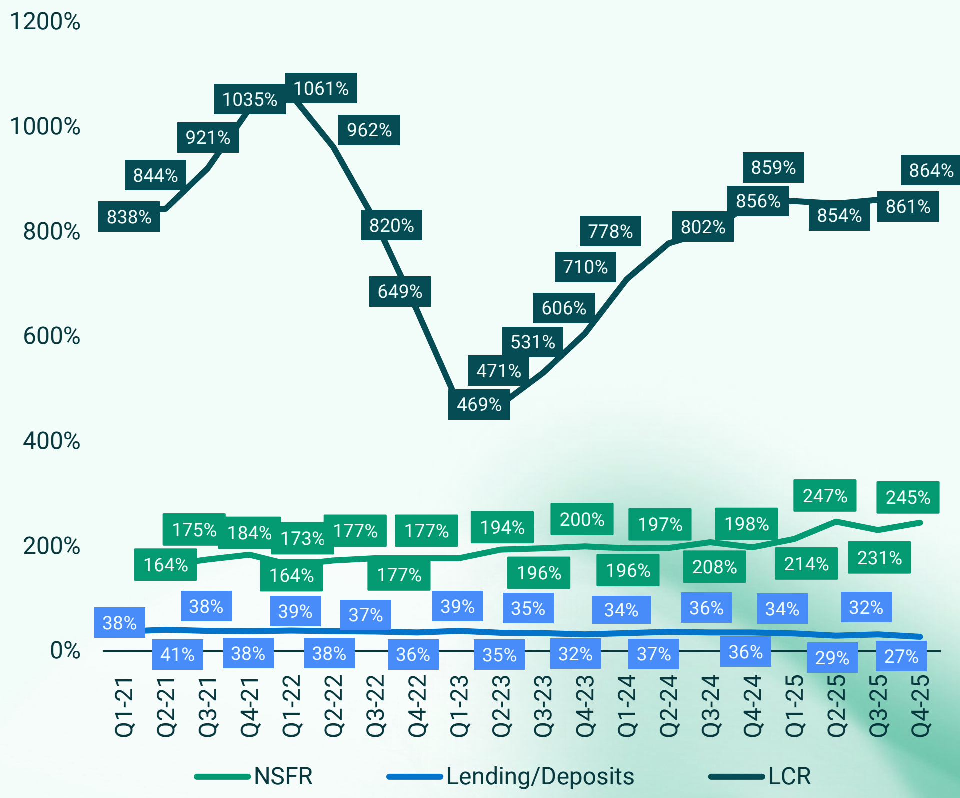
AVANZA

Strong liquidity ratios

Strong liquidity ratios

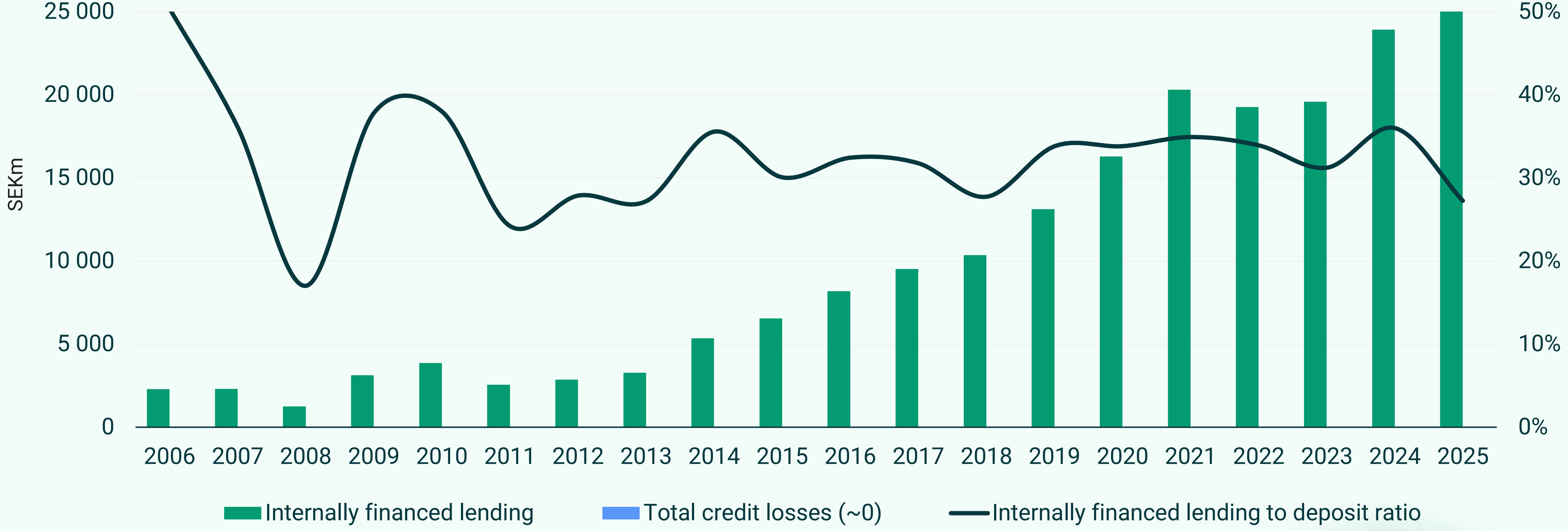
- Prudent credit profile
- All interest-bearing securities rated **AAA**, **AA+** or **AA**
- Well-balanced **maturity structure**
- All securities are **normally eligible as collateral** with the Riksbank

NSFR, LCR and Lending/Deposits



Low cost of risk with marginal credit losses, SEK m

- credit losses of less than 0.02% annually 2001 to 2025



Credit losses

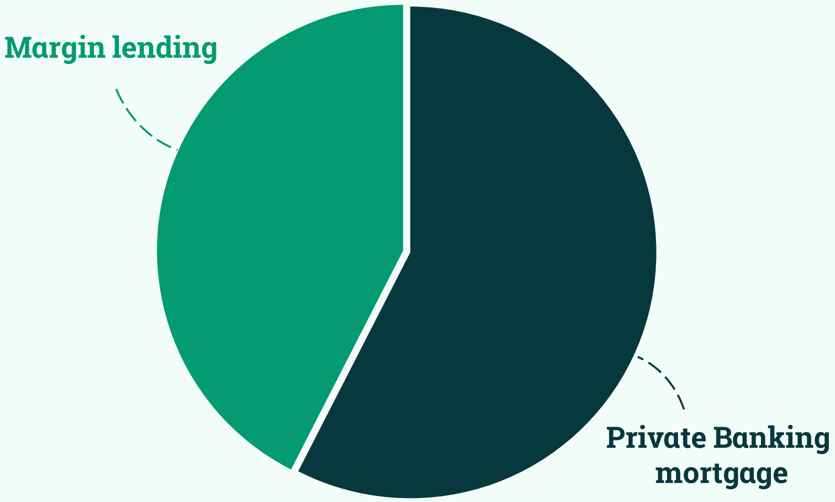
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
0	-1	0	0	0	-6	-1	-1	0	0	-1	0	-1	0	-4	0	-1	3	0	-4

AVANZA

Low-risk loan book

- Funded through **customer deposits spread across** a very **large number of households**
- All lending is **secured**
- Mortgage lending limited to 25% of liquidity
- Private Banking mortgage requires SEK 3m of savings capital. **Average loan-to-value of 39%**
- Margin lending with collateral in securities. No significant concentration of pledged securities. **Average loan-to-value of 25%**
- **No realised credit losses attributable to events after 2011**

Loans to the public of SEK ~28bn



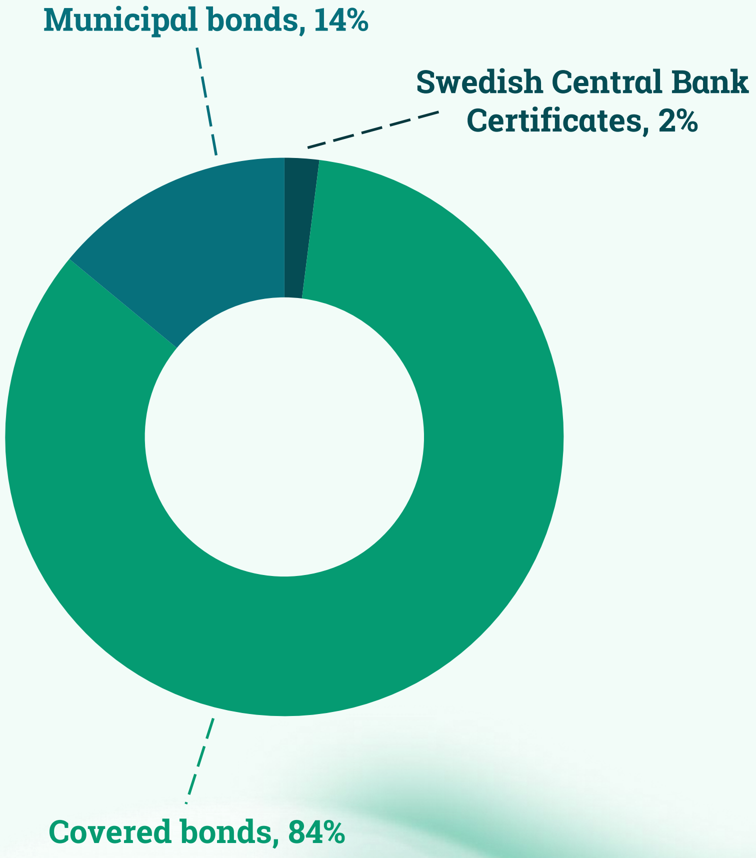
Stable share of liquidity of total savings capital

- Deposits from the public are considered one of the most secure sources of financing
- Liquidity risk is reduced as deposits are spread across a very large number of households

AVANZA

Treasury portfolio composition

- **Conservative credit profile**
- All interest-bearing securities rated **AAA**, **AA+** or **AA**
- **Balanced maturity structure**
- Exposure in **SEK**
- All securituies **can be pledged to the Riksbank**



31 December 2025

AVANZA

Transaction overview

Transaction rationale

SEK Perpetual NC5.25 Additional Tier 1

- Maintaining Avanza's **strong capital position**
- Optimising Avanza's **capital structure** while enhancing the **leverage ratio**
- Taking advantage of favourable **growth opportunities**

The terms and conditions of this transaction is fully **based on Avanza's AT1 issuance in 2025**. Overall, the structure largely follows the key terms of recent AT1s in the SEK market, including a **7% CET1 trigger** at the consolidated level and a **temporary write-down mechanism**.

AVANZA

Terms & Conditions summary

Issuer	**Avanza Bank Holding AB (publ)**
Issuer Rating:	N/A
Documenttion:	Standalone
Instrument:	Additional Tier 1 Notes, constituting unsecured, subordinated obligations of the issuer
Issue Date / First Call Date:	31 March 2026 / 1 April 2031
Maturity Date:	No maturity date, perpetual (PerpNC5.25)
Redemption:	The Issuer may, subject to the prior consent from the Swedish FSA, (A) redeem all (but not only some) of the Notes at par (i) on the First Call Date, (ii) on any Business Day during the Initial Call Period, or (iii) on any Interest Payment Date falling after the First Call Date, and (B) redeem all (but not only some) the Notes at par on any Interest Payment Date in the event of a Capital Event or Tax Event
Initial Call Period:	The period commencing on (and including) the First Call Date and ending on (and including) the Interest Payment Date falling on or immediately after three (3) months of the First Call Date
Coupon:	3-months Stibor + 285 bps, paid quarterly in arrears, Actual/360, modified following, adjusted
Interest Cancellation:	Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or (ii) will be mandatorily cancelled, to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments
Loss Absorption:	If at any time a Trigger Event occurs, the Total Nominal Amount shall be written down (in whole or in part, and in each case as determined by the Issuer in consultation with the Swedish FSA) to an amount equal to the amount that would restore the CET1 Ratio of the Avanza Consolidated Situation to at least 7.00 per cent. at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to a Nominal Amount per Note of SEK 1.0
Trigger Event:	If at any time the CET1 Ratio is less than 7.00 per cent. in the case of the Avanza Consolidated Situation
Substitution or Variation:	Applicable if a Capital Event or Tax Event occurs, subject to obtaining the prior consent of the Swedish FSA and giving notice to the Noteholders and the Agent
Merger Flexibility:	A merger between the Issuer and Avanza Bank, with Avanza Bank as the surviving entity (a "*Merger*"), will be permitted under the Terms and Conditions
Denominations:	SEK 1,250,000 and integral multiples of SEK 1,250,000 in excess thereof
Governing Law:	Swedish Law
Exchange Listing:	Nasdaq Stockholm. Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days
Agent:	Nordic Trustee & Agency AB (publ)
Structuring Advisor:	Nordea Bank Abp
Lead Managers:	Nordea Bank Abp & Skandinaviska Enskilda Banken AB (publ)

AVANZA

AVANZA

Summary

Strong business model and customer satisfaction

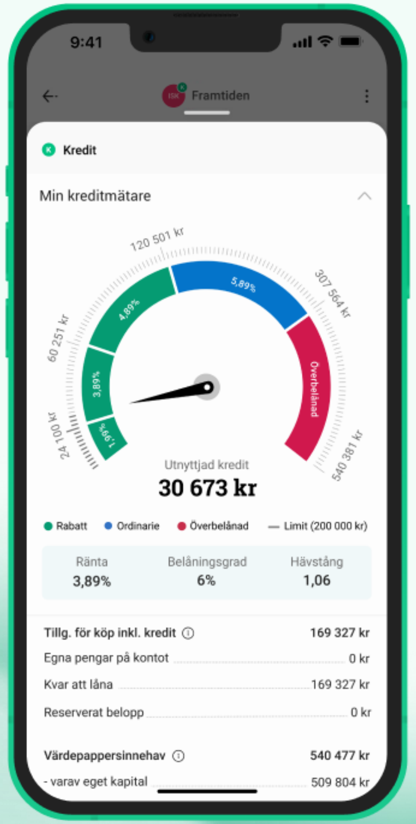
- ✓ **The leader in the Swedish savings and investments market**
- ✓ High **scalability** and **capital-light** business model
- ✓ **Loyal customer base**, churn at 1.3%
- ✓ **Well-proven track record throughout the full business cycle**

Very low-risk balance sheet

- ✓ High **quality mortgages**
- ✓ Margin lending **secured** against listed, highly liquid securities
- ✓ **Large low-risk surplus liquidity portfolio**
- ✓ All interest-bearing securities rated **AAA**, **AA+** or **AA**

Robust capitalisation

- ✓ Funded through **customer deposits** and **own equity**
- ✓ **Long-term ownership** with an **active founder**



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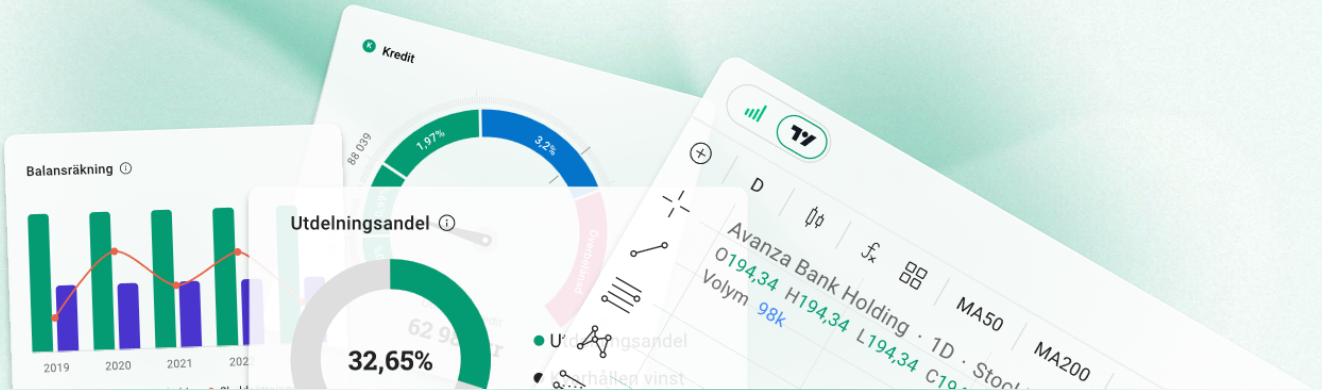
Opening up for questions



Annual costs

	2025		2024	
	SEK m	% of total costs	SEK m	% of total costs
Personnel	-818	58%	-788	62%
IT Systems and licenses	-191	14%	-156	12%
External services	-102	7%	-94	7%
Marketing	-49	3%	-30	2%
Depreciation, amortisation and impairment	-96	7%	-92	7%
Other	-157	11%	-120	9%
Total costs before credit losses	**-1,413**	**100%**	**-1,280**	**100%**
Credit losses, net[1)]	-4	-	0	-

Comments

- Our philosophy is to expense as much as possible of technology investments through the income statement
- The aim is to maintain an as clean and simple balance sheet as possible, and not postpone costs

1) Reported credit losses are attributable to calculations of expected credit losses according to IFRS9

Our targets for a sustainable future

Sustainable investments

- Reduce the carbon intensity of the savings capital on the platform by 50 per cent by 2035 *(base year 2025)*
- Reduce the carbon intensity in Avanza's funds by 50 per cent by 2035 *(base year 2025)*
- 65 per cent of the capital in Avanza's funds that invest directly in equities shall consist of companies with science-based targets (SBT) by 2027

Savings for millions

- Sweden's most satisfied savings customers every year according to the Swedish Quality Index (SQI)
- Increase the share of women among new customers to 50 per cent by 2030
- Contribute to financial literacy

Responsible organisation

- Employee Net Promoter Score (eNPS) > 50
- 50/50 gender distribution among managers
- Reduce the climate impact from own operations and the value chain by 50 per cent by 2035 *(base year 2025)*

AVANZA

Long-term commitment from founder and major shareholders

28 February 2026	Share of capital, %
Sven Hagströmer including family and company	10.13
Creades AB	10.08
AMF Pension & Funds	9.04
Sten Dybeck including family and company	4.11
Vanguard	3.45
Second Swedish National Pension Fund	2.72
SEB Funds	2.60
Swedbank Robur Fonds	2.58

AVANZA

Capital-light exposures

31 December 2025 SEK m	Risk exposure amount	Capital requirement
Credit risk according to the standardised approach	13,032	1,043
of which exposures to institutions	1,115	89
of which exposures to corporates	67	5
of which retail exposures	375	30
of which exposures secured by mortgages on immovable property	3,681	294
of which exposures in default	59	5
of which exposures to covered bonds	5,032	403
of which exposures to equity	112	9
of which exposures to other items	2,592	207
Counterparty credit risk	2	0
Market risk (position risk)	1	0
Settlement risk	5	0
Credit valuation adjustment risk according to the standardised method	–	-
Operational risk according to the standardised approach	5,956	476
Total	**18,995**	**1,520**

AVANZA

Risk Factors

*An investment in the additional tier 1 capital notes (the "**Notes**") is associated with different risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be material. Set out below is a description of risks that are material and specific to Avanza Bank Holding AB (publ) (the "**Issuer**") with all its subsidiaries from time to time (collectively, "**Avanza**" or the "**Group**"), including its wholly-owned subsidiary Avanza Bank AB ("**Avanza Bank**") and the Notes. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Notes.*

*The risk factors set-out below are limited to risks which are specific to Avanza and/or to the Notes and which are assessed to be material for taking an informed investment decision. Avanza's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Investor Presentation. Prospective investors should also read the draft terms and conditions for the Notes (the "**Terms and Conditions**"), all other information in the Investor Presentation and other available information and reach their own views prior to making any investment decision.*

The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.

Capitalised terms not otherwise defined herein has the same meaning as set out in the Terms and Conditions.

AVANZA

Risk Factors

1. RISKS RELATED TO THE ISSUER

1.1 Economic and market risks

1.1.1 Risks relating to the current macroeconomic environment

Avanza is a Swedish online savings- and investment platform mainly targeting individual investors. The business is based on a strong customer focus and user experience. Avanza's core offering consists of a wide range of savings products to low fees, as well as information, decision support and educational content on savings and investments. Avanza also offers occupational pension solutions, mortgage loans, margin lending and management of collective investment schemes.

Avanza's business is subject to inherent risks arising from general and sector-specific economic conditions. Avanza currently operates only in Sweden, which, although it has a fundamentally strong economy, such economy is small, open and particularly vulnerable to downturns in the global economy. A deterioration in economic conditions both globally and in Sweden affects households' risk willingness and savings ratio and thereby also Avanza's ability to attract new savings capital. There are various macroeconomic factors that may lead to reduced savings and/or investments, including but not limited to, amortisation requirements, changes in capital taxation, changes in consumption, business and consumer confidence, unemployment, household disposable income, the state of the housing market and falling real-estate prices, counter-party risk, inflation, the availability and cost of credit, the liquidity of global financial markets, market share prices, and market interest rates. A severe deterioration in global or regional economic conditions would adversely affect demand for the products and services offered by Avanza. The demand for Avanza's products is also dependent on the customers' outlook for the future and other factors that have an influence on the customers' financial situation. Reduced savings due to such factors could have a negative impact on Avanza's customer and savings capital growth, net inflow and operating profit due to reduced volumes of credit issued, reduced brokerage income and currency-related income, reduced fund commission income and reduced net interest income. Avanza's income is greatly impacted by market conditions and the interest rate environment. A strong stock market and high volatility tend to increase customers' risk willingness and activity, and thereby positively affect trading-related income, while a declining market and low volatility has the opposite effect. Whilst periods with higher or rising interest rates may positively affect Avanza's net interest income, trading activity typically slows down.

Armed conflicts, terrorism and wars have in recent years contributed to significant volatility and uncertainty in global financial markets and the broader economy. Although inflation has decreased and central banks, including the Riksbank, has lowered the market rates during 2025, considerable uncertainty remains regarding the long-term interest rate and the overall stability of the macroeconomic environment. Previous periods of elevated interest rates resulted in more passive investment behavior among Avanza's customers. Although market activity has shown signs of recovery, it remains difficult to predict the extent to which ongoing geopolitical tensions may continue to influence investors' risk appetite and trading volumes. Current conflicts in the Middle East and continued uncertainty regarding trade policy, including the potential for increased tariffs, constitute significant factors of instability. Continuing or escalating military action and geopolitical tensions affecting the Nordic region could adversely affect Avanza's business, financial condition and results of operations. Consequently, such developments constitute a risk for investors in the Notes.

AVANZA

Risk Factors

Furthermore, Sweden's membership in NATO has been assessed by authorities to entail a continued risk of Russian counter-reactions, including an increased risk of provocations, hybrid threats and cyberattacks targeting Swedish interests. Such actions could directly affect Avanza's ICT systems (see also "*The risk of failure or interruption to Avanza's ICT systems and risks associated with cyber threats*" below). These factors, individually or collectively, may reduce confidence in the Swedish financial market and adversely affect Avanza's ability to attract assets under management and generate commission income.

A strong stock market and high volatility tends to increase risk appetite and activity among customers, while a declining market and low volatility has the opposite effect. Also, the general societal development in regard to sustainability and the environment affects Avanza. In line with such development, customers are expected to demand more sustainable alternatives for investment, due to both societal and economic factors. Also, the societal evolvement has entailed greater individual responsibility when it comes to financial well-being, meaning that individual investors' incentives for saving have become stronger.

Accordingly, the degree to which macroeconomic factors may affect Avanza is uncertain and presents a significant risk to its operations and consequently its result of operations.

1.1.2 <u>Competition in the financial services industry</u>

Avanza operates on the Swedish savings market. As of 31 December 2025, Avanza had a market share of 8.3 per cent of the savings capital on Swedish savings market and 11.3 per cent market share of the net inflow to the market during 2025.[1]

The Swedish savings and investment market is large, growing and advanced with high retail participation on the stock market. It is already today highly competitive, while also subject to increased competition from both established players, such as the large incumbent banks, and start-ups or foreign peers trying to establish on the Swedish market. The market is characterised by low prices and has been subject to price pressure for years. For example, brokerage fees have decreased, and new models for calculation of fund fees and retransfers of distribution fees to the customers have been introduced. Further price reductions among competitors could potentially drive Avanza to also adjust its pricing to mitigate the risk of slowing customer or savings capital growth as a result of customers' choosing to place its savings with a competitor instead of Avanza.

For long, there has been a development in the market where customers are becoming increasingly prone to switch product and service providers, including financial services. In addition, the level of digitalisation within the banking- and insurance sector facilitates changing providers without major administrative issues, and the availability of comparison tools makes it easier for consumers to evaluate pricing or interest rates, also placing a higher demand on all players to maintain a competitive offering. Factors such as these could require Avanza to adjust its interest levels or other pricing, which in turn could have adverse effects on Avanza's operational profit.

Avanza receives commission for distributing products and services from external parties to its customers, e.g. the external fund companies or mortgage providers whose products are offered through Avanza's platform. If changes to the possibilities to co-operate with such external parties, as well as a major external party's potential termination of its co-operation agreement with Avanza were to happen, it could adversely affect Avanza's income and growth.

[1] Percentages are based on total capital in the Swedish savings market according to Statistics Sweden's Savings Barometer, less Avanza's unaddressable assets, except for collectively agreed occupational pensions, where statistics are published annually. The data are published with a quarterly lag

AVANZA

Risk Factors

In the long-term perspective, technological development could drive towards algorithm-based services where customers' deposits are automatically transferred to the institution or institutions that currently offer the highest interest rate would make deposit levels more volatile. This is a potential financing and liquidity risk for Avanza Bank, which if materialised would affect Avanza Bank's opportunities to grow its lending volumes (as the volatility of deposits as a share of savings capital increases). It would also negatively affect the cost side of the net interest income, with increased deposit costs as a result of offering higher interest rates to customers for deposits to prevent deposits from leaving Avanza.

The degree to which competition may affect Avanza is uncertain and presents a significant risk to the Group's ability to maintain profitable pricing, retain market shares and expand operations.

1.2 Risks related to Avanza's business

1.2.1 The risk of failure or interruption to Avanza's ICT systems and risks associated with cyber threats

Avanza relies heavily on its ICT infrastructure to deliver its services, which means that any disruption could have a serious impact on its operations. This reliance affects all aspects of Avanza's business and regulatory compliance. Incidents due to process failures, insiders, cyber-attacks and human error can negatively impact Avanza's continuing revenue, compliance and reputation.

As a participant in the financial services sector, Avanza faces a consistently high level of cyber threat activity, marked by both the frequency and increasing complexity of attacks. The potential for financial gain and access to sensitive data makes institutions like Avanza targets for cybercriminals, organised as well as state-sponsored. The financial sector consistently faces some of the highest costs associated with data breaches, reflecting the high value of financial data held by institutions like Avanza and the strict regulatory requirements on operational resilience.

Two specific cyber threats are ransomware and distributed denial-of-service (DDoS) attacks. Ransomware attacks have been on the rise across all industries for several years and while successful attacks have proven fatal for a few companies, a common result is weeks or at least days of downtime. The number and intensity of DDoS attacks is constantly increasing. Avanza is regularly targeted by DDoS attacks and a long-term and forceful attack can affect the availability of Avanza's services.

Beyond external threats, Avanza faces considerable risks from within its own organization. Insider threats, whether due to malicious intent or unintentional errors by employees, are a major concern in the financial sector. Although ICT personnel are rarely identified as malicious insiders, they have the potential to cause severe damage. Negligent insiders, due to lack of awareness or poor practices, are a common source of security incidents at financial institutions.

The ongoing transition to a cloud-based infrastructure presents challenges for Avanza as the complexity and scale of Avanza's ICT infrastructure increases in the short to medium term. Managing ICT risks is more difficult in a heterogeneous environment. Transitioning to cloud-based infrastructure is part of a common trend in the sector of increased reliance on service providers. Such reliance exposes Avanza to third-party ICT risks. As Avanza is fully responsible for all failures by its service providers, such failures could negatively impact Avanza. See the risk factor "*Risks relating to service providers and third-party collaborators*" for further information.

Risk Factors

Moreover, banks and insurance undertakings are subject to extensive requirements in relation to ICT risks and digital operational resilience, including the Regulation (EU) 2022/2554 on digital operational resilience for the financial sector (“**DORA**”), which has applied since January 2025, and related delegated regulations adopted by the European Commission. DORA imposes requirements on Avanza’s ICT risk management, continuity planning, incident reporting, supply chain risk management, and digital operational resilience testing. Another example is the Swedish Financial Supervisory Authority’s (*Finansinspektionen*) (the “**Swedish FSA**”) regulations and general guidelines (FFFS 2024:21) regarding deposit systems.

A failure to comply with EU regulations, EU guidelines or Swedish regulations could result in sanctions, including administrative fines from the Swedish FSA, and have an adverse impact on Avanza’s reputation, market perception and results. Furthermore, the costs of compliance and control of compliance are increasing as a result of ever more extensive regulation.

The degree to which ICT risks may affect Avanza is uncertain and presents a highly significant risk to the Group’s business and results of operations.

1.2.2 <u>Credit risks relating to counterparties and customers</u>

Credit risk is the potential risk of financial loss arising from the failure of a counterparty to fulfil its financial obligations towards Avanza as they fall due. One credit and counterparty risk of Avanza Bank is that the customers cannot service their debt. Credit risk also includes concentration risk, i.e. the risk relating to large exposures to a group of inter-linked customers. All of Avanza Bank’s lending is collateralised by liquid financial assets with collateral margins or by Swedish residential properties with low loan to value ratio. Further, margin lending requires collateral in listed securities with good liquidity. Avanza Bank offers mortgages to private banking customers, in connection to which it requires a loan to value ratio not exceeding 50 per cent and a minimum of SEK 3 million in savings. As of 31 December 2025, the average loan to value ratios for internally financed lending was 39 per cent (mortgage lending) and 25 per cent (margin lending). There is a risk that the collateral securing these loans may be insufficient to cover the outstanding debt in a distressed market environment. Furthermore, any failure by a counterparty to fulfil its financial obligations to Avanza Bank as they fall due could adversely affect Avanza’s profit and financial position.

Avanza is also exposed to counterparty risk related to the risk that Avanza will suffer loss in the event of default by a bank counterparty or an issuer of securities held by Avanza. In general, Avanza’s cash deposit is placed overnight at well-established and high credit rated Nordic banks. The liquidity portfolio consists of Nordic covered bonds and Swedish municipal securities rated AAA or AA+, exclusively denominated in SEK. The risk arises as a result of cash deposits placed with clearing banks or invested in securities. A default occurs when banks or other financial institutions or issuers of securities fail to honour payments as they fall due. Such default may cause credit losses or liquidity problems, which may have an adverse impact on Avanza’s profit and loss and own capital.

In addition, Avanza Bank is exposed to risks associated with the uncontrolled deterioration in the credit quality of its customers which may be driven by, for example, socioeconomic or customer specific factors linked to economic performance. As of 31 December 2025, the total provisions for expected credit losses amounted to SEK 9 million and the net credit losses amounted to SEK 4 million. Declining credit quality and increased impairment could have an adverse effect on Avanza’s expected profit and loss and its own capital. An increase in the level of credit losses will have an adverse impact on Avanza’s business and results of operations.

Risk Factors

1.2.3 Risks relating to service providers and third-party collaborators

Avanza is dependent on several service providers, the largest ones being Nasdaq, Euroclear Sweden, Nordic Growth Market and TietoEvry. Furthermore, the most important third-party collaborators are fund management companies, Morgan Stanley and external mortgage providers (including Stabelo and Landshypotek).

If Avanza cannot adequately assess and evaluate the service providers, and the third-party collaborators subsequently turn out to be unable to maintain anticipated service levels, provide services in accordance with assumed cost structure, lack the appropriate authorisations or permits for the services provided and/or lack a robust IT infrastructure, there is a risk of material adverse impact on Avanza's reputation and business. Furthermore, incidents or accusations against the service providers and the third-party collaborators with whom Avanza has a commercial relationship risk leading to adverse publicity that would damage Avanza's reputation, even if Avanza is not involved. If Avanza is required to replace or commence collaboration with new service providers there is also a risk that this will lead to significant work in evaluating and approving a new party, increased costs as well as difficulties for Avanza in obtaining corresponding services within a reasonable time and on acceptable terms. If such risks materialise, this might have a significant adverse impact on Avanza's business.

Moreover, Avanza is especially dependent on third parties to supply IT-services in regard to telephone service, network service and data centre space. If any of these services were to experience material problems, Avanza estimates that it could cause some of Avanza's services to be unavailable for up to 24 hours, which in turn would have a material adverse effect on Avanza's offering.

It is uncertain to what extent the risks described above relating to service providers and third-party collaborators may impact Avanza, but they constitute a risk with respect to Avanza's reputation, business and results of operations.

1.2.4 Key employees

As of 31 December 2025, Avanza had 722 employees. Avanza is dependent on its ability to attract, motivate and retain highly qualified and skilled personnel. There is always a risk of losing existing key executives and senior management who are important in order to sustain, develop and grow the business. To ensure continuity and safeguard business-critical processes, a structured mapping of individuals with critical competence is conducted every year.

In the financial year 2025, personnel expenses amounted to SEK 818 million. In order to address increased competition for qualified employees, Avanza may need to increase its remuneration levels, which would have an adverse impact on Avanza's results of operations. In order to attract skilled employees, in addition to the corporate values, a positive work environment and good reputation as an employer are important, as well as market-based salaries. If Avanza fails to offer an attractive work environment, there is a risk that skilled employees might choose to terminate their employment and move to competitors, which might lead to a loss of expertise for Avanza.

If Avanza fails to attract and retain qualified personnel needed in the business, this will adversely impact Avanza's competitiveness, corporate culture, growth, competence development, profitability and business.

Risk Factors

1.2.5 Reputational risks

Reputational risk is the risk of a tarnished reputation among customers, owners, employees, authorities and other parties. As Avanza operates in an industry built on trust, it is of outmost importance that Avanza and its employees abide by high standards to maintain Avanza's reputation and the trust for the services provided. Avanza's employees or service- and business process outsourcing partners could engage in misconduct that adversely affects Avanza's business. Even allegations of misconduct by Avanza's employees, or actual or alleged misconduct by other financial services companies, could adversely affect Avanza's reputation (see also "*Risks relating to service providers and third-party collaborators*" above).

Reputational risk can be substantially damaging to Avanza's operations since Avanza's customers willingness to use Avanza's services and products could decrease, and if such risk materialises to such extent that customers choose competitors over Avanza, it would thus materially adverse Avanza's net sales and growth. There is further a risk that damage to Avanza's reputation will impair its ability to attract and retain relevant competence and skills, maintain relationships with third parties, maintain trust from regulators and other authorities and obtain funding and, therefore, will have an adverse effect on Avanza's business, financial condition and results of operations. The degree to which the reputational risk may affect Avanza is uncertain and presents a significant risk to Avanza's business and results of operations.

1.2.6 The performance of the funds branded and managed by Avanza

Avanza Fonder AB ("Avanza Fonder") is a wholly owned subsidiary of the Issuer and was founded in 2006. Avanza Fonder manages 23 own funds, of which 14 are managed internally and 9 are managed in collaboration with Amundi Asset Management, Carmignac Gestion Lux, FCG Fonder, NRP Anaxo Asset Management, Captor Fund Management, ARK Invest, Circulus Asset Management and Atle Fund Management. There is a risk that Avanza's own funds and collaborations will not turn out as well as business analysis or previous earnings show. There is also a risk that Avanza's brand will be negatively affected if the Avanza branded funds have a lower return over time than other comparable investment alternatives on the market, or otherwise do not meet customers' expectations. Such impact could adversely affect Avanza's brand, reputation, and earnings.

1.2.7 Risks related to a potential geographic expansion

Avanza has communicated a strategic ambition to expand its operations to one additional European market by 2030. This is intended to create additional long-term growth opportunities through increased addressable market, and to further diversify the revenue base.

There is a risk that the Group may not be able to identify suitable markets or acquisition targets that fit its business model. Even if an expansion is initiated, the Group may face challenges in establishing its business model, corporate culture and operational framework in a new market. A failure to successfully execute such an expansion, or significant delays in doing so, could negatively affect Avanza's brand and market perception and may limit the Group's opportunities for long-term growth compared to market expectations.

In addition, entering new markets would expose the Group to unfamiliar regulatory frameworks, different tax regimes and established local competitors, which could result in higher costs or lower returns than anticipated. If the expansion does not deliver the expected strategic benefits, it could adversely affect the Group's long-term competitiveness, profitability and financial position. Consequently, such developments could adversely affect investors in the Notes.

AVANZA

Risk Factors

1.3 Risks related to Avanza's financial position

1.3.1 Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows emanating from, a financial instrument will vary as a result of changes in market interest rates. Interest rate risk normally arises as a result of companies having different maturities or fixed interest terms for their assets and liabilities. Interest rate risk increases if the terms for assets deviate from the terms for liabilities. Interest rate risk mainly affects companies in the form of gradual changes in net interest income, which can thus affect operating income and both short and long-term capital ratios. Most of Avanza's interest rate risks arise as a result of imbalance in the interest rate structure between its assets (e.g. bonds) and liabilities (e.g. deposits).

Furthermore, changes in interest rate levels, yield curves and differences between various interest rates may affect Avanza's interest rate margin between its lending and funding. Avanza is exposed to differences between the interest paid to deposit customers, and the interest which Avanza charges the customers for its products. There is a risk that Avanza will be unable to adjust the interest rate on such assets and liabilities, especially as Avanza's amount of deposits from its customers is higher than the amount of its credit issued to its customers. Crises, geopolitical disruptions, inflation spikes, shortages or other events may cause interest rates to become more volatile, which may increase the impact of different lengths of fixed interest rates on assets and liabilities.

Based on the interest-bearing assets in Avanza as of 31 December 2025, a negative one (1) percentage point change in the policy rate would have a negative SEK 450 million impact on Avanza's net interest income. With a cash liquidity (including 1 week short term Riksbanks certificate) of SEK 18.9 billion a negative one (1) percentage point change in the policy rate, could have an annual effect of SEK 189 million on net interest income, not taking into account any corresponding changes to the interest rate made in relation to the deposit customers.

1.3.2 Liquidity risk

Liquidity risk is the risk that Avanza will not be able to meet its payment obligations on their maturity at all or without the related cost increasing significantly. Short-term liquidity risk measures the risk of Avanza being negatively impacted in the short term by a lack of liquidity, while structural liquidity risk is a measure of the mismatch between assets and liabilities in terms of maturities, which risks leading to a lack of liquidity in the longer term. Both short-term and structural liquidity risk can arise as a result of a financing mix with predominantly non-maturing deposits. Liquidity risk also refers to the risk that a large number of customers decide to withdraw deposits from their accounts with Avanza within a short time period and the risk of financial instruments that cannot immediately be converted to cash and cash equivalents without decreasing in value.

The liability side of Avanza's balance sheet mainly consists of customer deposits, and the remaining part consists of shareholders' equity. As of 31 December 2025, lending in relation to deposits amounted to 27.3 per cent. The liquidity portfolio is managed with a balanced maturity structure of between 0 to 5,25 years, where the average interest term is normally maximum three months. As of 31 December 2025, surplus liquidity amounted to SEK 79.9 billion and was primarily invested in covered bonds, Swedish municipal securities, Riksbank certificates, and deposits with the Swedish central bank and systemically important Nordic banks. As of the date of this Investor Presentation, no Group Company have a credit rating nor (notwithstanding the Issuer's debt capital market issue of additional tier 1 notes during the second quarter of 2025) an established position in the debt capital market. If there would be a need to quickly secure other financing due to e.g. a decline in customer deposits, this would be a financing and liquidity risk for Avanza, and in turn, may adversely impact the Group's liquidity and financial position.

Risk Factors

The inability of Avanza to anticipate future liquidity and provide for unforeseen decreases or changes in funding sources could have consequences on Avanza's ability to meet its payment obligations as they fall due. Accordingly, Avanza may need to use credit lines with a central bank, sell securities in the liquidity portfolio or restrict margin lending in order to increase liquidity.

Further, Avanza is, through Avanza Bank in its capacity as a credit institution supervised by the Swedish FSA, subject to liquidity requirements, including a statutory requirement to maintain sufficient liquidity to enable it to discharge its obligations as they fall due (see the risk factor *"Regulatory capital requirements"* below for further information).

1.4 Legal and regulatory risks related to Avanza

1.4.1 Risks relating to regulatory requirements, regulatory changes and licences held by Avanza

Avanza's operations are subject to legislation, regulations, codes of conduct and general recommendations in Sweden and in relation to the products it offers and sells. Avanza is, with exception for the Group Companies Placera Media Stockholm AB, Sigmastocks AB with its subsidiary Sigmastocks Neo AB, and Avanza Förvaltning AB, subject to supervision by the Swedish FSA, with regard to, among other things, solvency and capital adequacy, including solvency ratios and liquidity rules as well as rules on internal governance and control.

Avanza is also subject to directly applicable EU regulations and EU directives that are implemented through local legislation. Significant failures to comply with applicable laws and regulations could expose Avanza to monetary fines and other penalties, damages and/or the voiding of contracts and affect Avanza's reputation. Ultimately, Avanza Bank's banking licence or licence to conduct securities business, on which Avanza's operations are highly dependent, could be revoked. Avanza Bank has also obtained two additional licenses from the Swedish FSA for discretionary portfolio management and insurance distribution. The loss or suspension of the licences will require Avanza to cease its relevant licensed operations which would have an adverse effect on the Issuer's business, financial condition and results of operations.

Försäkringsaktiebolaget Avanza Pension ("**Avanza Pension**") has an insurance licence and Avanza Fonder has a licence to manage collective investment schemes. Both licences are granted by the Swedish FSA. Avanza Fonder has also obtained an additional license from the Swedish FSA for discretionary portfolio management. As such, Avanza Pension and Avanza Fonder are obliged to follow rules and regulations applicable to insurance and fund management companies, respectively. Failure to do so could lead to the Swedish FSA imposing sanctions on Avanza Pension and/or Avanza Fonder. In case of material violations, the Swedish FSA can, as an ultimate measure, revoke Avanza Pension's and/or Avanza Fonder's licences. The Swedish FSA may also issue remarks and warnings, which may be combined with monetary fines. Any such sanction could have an adverse effect on Avanza Pension's and/or Avanza Fonder's business, financial condition and results of operations.

In addition, as for any provider of financial services to consumers, Avanza's offering is occasionally reviewed by consumer authorities. In Sweden, the Swedish Consumer Agency (*Konsumentverket*) safeguards the interests of consumers and monitors consumer interests within the EU. Avanza is further subject to the EU Directive 2014/65/EU on markets in financial instruments (MiFID II), which has enhanced consumer protection and fee disclosure to prevent conflicts of interest and increase transparency.

For some time, the market has seen a general discussion of conflicting interests in relation to fund commissions. The Swedish FSA has raised the question if differentiated commission rates could create incentives for intermediaries to market funds with higher rates over funds with lower rates. The Swedish FSA has expressed its concern that such incentives could affect the investment advice intermediaries provide their customers. In December 2025, a political agreement was reached with respect to the EU Retail Investment Strategy (RIS). Based on published information, the agreement does not introduce a general ban on commissions at the EU level. Member states still have the option of introducing stricter requirements. In Sweden, the Swedish FSA has requested national rules on commissions for some time, and there is likely to be a study of their feasibility. If commissions are banned, it would primarily affect Avanza's external fund business and Avanza Markets.

Risk Factors

The regulatory landscape in which Avanza is conducting its business is continuously evolving. New, amended or repealed laws and regulations, regulatory ordinances, guidelines and codes of conduct could, in addition to leading to increased complexity and higher demands on Avanza's legal and control functions and the business in general, also impose restrictions on how Avanza operates its business, which could have an adverse effect on Avanza's earnings. Avanza is unable to predict what regulatory changes will be imposed in the future as a result of regulatory initiatives in the EU, by the Swedish FSA, the EBA, the European Securities Market Authority (ESMA), the EIOPA, or by any other authorities and agencies.

The degree to which risks related to regulatory requirements, regulatory changes and the licences held by Avanza may affect Avanza is uncertain and presents a highly significant risk to Avanza's reputation, business, financial condition and results.

1.4.2 Regulatory capital requirements

Avanza Bank, Avanza Pension and the Avanza Consolidated Situation are subject to capital adequacy, solvency and liquidity regulations, which aim to establish a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions and insurance companies. Regulations which have impacted Avanza and are expected to continue to impact Avanza include, among others, the Basel III framework, Directive 2009/138/EC ("**Solvency 2 Directive**") and Regulation (EU) 2015/35 ("**Solvency 2 Regulation**") (collectively, ("**S2**"), the EU Capital Requirements Directive 2013/36/EU ("**CRD IV**"), as amended by Directive (EU) 2019/878 ("**CRD V**") and Directive (EU) 2024/1619 ("**CRD VI**"), and the EU Capital Requirements Regulation (EU) No. 575/2013 ("**CRR**"), as amended by Regulation (EU) 2019/876 ("**CRR II**") and by Regulation (EU) 2024/1623 ("**CRR III**"). CRR, CRD IV and S2 are supported by a set of binding technical standards developed by the EBA and the EIOPA, respectively. The CRR and the Solvency 2 Regulation are directly applicable and binding in Sweden and the CRD IV and the Solvency 2 Directive are implemented through national laws and regulations. The CRR III has mainly applied from 1 January 2025, but for several years transitional rules will apply. Except for certain provisions where the implementation had been postponed, the CRD VI was to be transposed into national law by the member states of the EU (the "**Member States**"), by January 2026 at the latest.

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality, common equity tier 1 ("**CET1**") capital, additional tier 1 capital and tier 2 capital. CRR II also introduces a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Avanza Consolidated Situation as determined by the Swedish FSA. The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. As of 31 December 2025, the countercyclical buffer rate is 2 per cent. A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by the Avanza Consolidated Situation, for example, dividends on CET1 and coupon payments on tier 1 capital instruments.

The Swedish FSA performs a supervisory review and evaluation process (SREP) and may formally decide on bank-specific Pillar II requirement (P2R) and Pillar 2 guidance (P2G). The P2G is a non-binding supervisory recommendation and a violation of the P2G does not automatically lead to consequences such as restrictions in dividends. If the P2G is breached the Swedish FSA has the possibility to intensify its supervision or decide on an altered P2R. Most recently, the Swedish FSA completed a SREP of Avanza during 2025, and the outcome was that the Swedish FSA decided a P2R of 5.02 per cent. of the Avanza Consolidated Situation. The P2R shall be satisfied by three quarters of tier 1 capital, which shall include at least three quarters of CET1 Capital. Furthermore, the Swedish FSA has notified Avanza of a P2G that the Avanza Consolidated Situation should, in respect of the leverage ratio, maintain an extra capital buffer of 0.5 per cent., in addition to the minimum requirement of 3 per cent. The Swedish SFSA has also decided that the liquidity buffer at the Group level, when calculating the liquidity coverage ratio (LCR), may consist of, at most, 50 per cent covered bonds issued by Swedish entities.

Risk Factors

The conditions of the Group's business as well as external conditions are constantly changing and the full set of capital adequacy and solvency rules applicable to Swedish financial institutions continues to evolve. For the foregoing reasons, the Group is potentially required to raise additional capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, is not always available on attractive terms, or at all. For example, on 30 September 2024, the Swedish FSA published a legal position in which it intended to clarify how the CRR should be interpreted for deposits through digital deposit platforms (*deposit intermediary*), meaning that it may affect an institution's required LCR and net stable funding ratio (NSFR) depending on whether the deposit is placed directly with the institution or through a deposit intermediary (*inlåningsförmedlare*). This legal position presents an example of regulatory uncertainties, and there can be no assurance that the Issuer and the Group will always have the same interpretation of the regulatory landscape as the relevant authorities.

If the Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain operations as a result of, for example, the initiatives to strengthen the regulation of credit institutions, this would adversely affect its results of operations or financial condition or increase its costs, all of which may adversely affect Avanza's ability to raise additional capital and make payments under instruments such as the Notes.

Serious or systematic deviations by the Avanza Consolidated Situation from the above regulations would most likely lead to the Swedish FSA determining that Avanza's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the Swedish FSA imposing sanctions against Avanza. Further, any increase in the capital and liquidity requirements could have a negative effect on Avanza's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise capital on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase).

Furthermore, the conditions of Avanza's business as well as external conditions are constantly changing. For the foregoing reasons, Avanza, Avanza Pension and/or Avanza Bank may be required to raise additional regulatory capital and such changes could result in Avanza's, Avanza Pension's and/or Avanza Bank's existing regulatory capital ceasing to count either at the same level as present or at all. Any failure by Avanza, Avanza Pension and/or Avanza Bank to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on Avanza's profitability and results of operations and may also have other effects on Avanza's financial performance and on the pricing of the Notes, both with or without the intervention by regulators or the imposition of sanctions.

1.4.3 The Recovery and Resolution Directive

Avanza is, through Avanza Bank, subject to the Bank Recovery and Resolution Directive ("**BRRD**") (which was amended by Directive (EU) 2019/879 ("**BRRD II**") on 27 June 2019 where most of the new rules in BRRD II became applicable mid-2021). The BRRD legislative package establishes a framework for the recovery and resolution of credit institutions and, *inter alia*, requires EU credit institutions to produce and maintain recovery plans setting out the arrangements that are to be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial condition. Accordingly, the requirements under the BRRD are comprehensive, and require Avanza to take measures to ensure compliance.

Risk Factors

The BRRD contains a number of resolution tools and powers which may be applied by the resolution authority (in Sweden, the Swedish National Debt Office (*Riksgäldskontoret*)) upon certain conditions for resolution being fulfilled. These tools and powers (used alone or in combination) include, *inter alia*, a general power to write-down all or a portion of the principal amount of, or interest on, certain eligible liabilities, whether subordinated or unsubordinated, of the institution in resolution and/or to convert certain unsecured debt claims including senior notes and subordinated notes into other securities, including CET1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. This means that most of such failing institution's debt (including, in the case of Avanza, the Notes) could be subject to bail-in, except for certain classes of debt, such as certain deposits and secured liabilities. In addition to the general bail-in tool, the BRRD provides for relevant authorities to have the power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments (such as the Notes) at the point of non-viability (see the risk factor *"Loss absorption at the point of non-viability of Avanza Bank")*. Ultimately, the authority has the power to take control of a failing institution and, for example, transfer the institution to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder approval. The BRRD has been implemented in Swedish law mainly through the Resolution Act (*lag (2016:1016) om resolution*) and the Act on Preventive State Aid to Credit Institutions (*lag (2015:1017) om förebyggande statligt stöd till kreditinstitut*), but also through amendments to certain existing legislation.

In order to, among other things, ensure the effectiveness of bail-in and other resolution tools, all in-scope institutions must have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each institution must meet an individual minimum requirement for own funds and eligible liabilities ("**MREL**") determined by the relevant resolution authority (in Sweden, the Swedish National Debt Office) in accordance with what is set out in the Resolution Act.

Avanza Bank is not currently considered a systemically important institution and is therefore eligible for simplified obligations under the BRRD and the Resolution Act with more limited recovery planning obligations and an MREL requirement which is lower than Avanza's prevailing capital requirements. There can, however, be no certainty that Avanza Bank will not be designated a systemically important institution and subject to a higher MREL requirement in the future. In addition, it is not possible to predict exactly how the powers and tools of the National Debt Office described in the BRRD and the Resolution Act will affect Avanza Bank. The powers and tools given to the National Debt Office are numerous and may have a material adverse effect on Avanza Bank. Accordingly, the degree to which amendments to BRRD or application of BRRD may affect Avanza Bank is uncertain and presents a significant risk to Avanza Bank's funding and compliance costs.

1.4.4 <u>Risks related to the use of personal data and compliance with the EU General Data Protection Regulation</u>

Avanza processes large quantities of personal data on its customers. Such processing of personal data is subject to extensive regulation and scrutiny following the implementation of the General Data Protection Regulation ("**GDPR**"), as of 25 May 2018. Efforts to continuously ensure compliance with the GDPR is time-consuming and costly, and requires resources from legal, tech and operations as well as, for example, a function of Data Protection Officer (DPO).

The GDPR puts great emphasis on the obligation for personal data controllers to demonstrate compliance with the regulation, which may result in demands for increased documentation. Although Avanza has made efforts in transitioning to GDPR compliance, projects of such size, importance and technical complexity, including continuous changes and any court decisions that may affect the interpretation of the GDPR, entail risks of adverse implications and there is a risk that Avanza is not fully compliant with the GDPR.

Risk Factors

In the second quarter of 2021, it was found that Avanza Bank, due to a handling error, inadvertently had activated functions on the platform which enabled Facebook to collect personal data from Avanza's website. The main part of the data was hashed (a simpler form om encryption), however, a limited part of the data was shared in full. The functions were deactivated as soon as the error was detected. Avanza Bank reported itself to the Swedish Authority for Privacy Protection in its capacity as supervisory authority under the GDPR. In 2024, The Swedish Authority for Privacy Protection imposed a sanction fee of SEK 15 million on Avanza following the incident.

Any administrative and monetary sanctions (including administrative fines of up to the greater of EUR 20 million or 4 per cent. of Avanza Bank's total annual turnover) or reputational damage due to incorrect implementation or breach of the GDPR would adversely impact Avanza's business, financial condition and results of operations. The degree to which non-compliance with applicable requirements may affect Avanza is uncertain and presents a significant risk to Avanza's operations and reputation.

1.4.5 Anti-money laundering and terrorist financing regulations

Avanza is subject to a regulatory framework which requires it to take measures to counteract money laundering and terrorist financing within its operations. At least once a year, Avanza's Board and CEO establishes a group-wide policy and guidelines that serves as a framework for Avanza's AML/CTF work. The policy and guidelines include, *inter alia*, know-your-customer ("KYC") procedures, internal training for Avanza's staff, routines for how to investigate and report suspicious activity to the Financial Intelligence Unit within the Swedish Police. However, there is a risk that Avanza's policies, guidelines and internal control functions to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that Avanza complies with the regulatory framework. This may result from, for example, insufficient procedures or errors by employees, suppliers or counterparties, which risk resulting in a failure to comply with the anti-money laundering regulatory framework.

Failure to comply with the requirements could result in legal implications. If Avanza would become subject to material sanctions, remarks or warnings and/or fines imposed by the Swedish FSA, this would cause significant, and potentially irreparable, damage to the reputation of Avanza and, as a result, Avanza's business, financial position and results of operations can be adversely affected. Avanza's operations are contingent upon the banking licence issued by the Swedish FSA, thus making such consequences a significant risk for Avanza. The degree to which non-compliance with anti-money laundering may affect Avanza is uncertain and presents a significant risk to Avanza's reputation, financial condition and results of operations.

1.4.6 Taxes and changes in tax legislation

In 2025, Avanza's tax expenses totalled SEK 447 million and its effective income tax rate was 14.5 per cent. Accordingly, tax expenses constitute a significant part of the Group's total expenses (approximately 24 per cent.). Should the Group's tax situation for previous, current and future years change (as a result of legislative changes and decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities, potentially with retroactive effect), it could adversely affect the Group's business (should taxes imposed on its products and services negatively impact the demand for such products and services), financial condition (should taxes negatively impact the value of its assets) and results of operations (should taxes increase its costs and thus decrease, among other things, its operating profits). As of 1 January 2026, new Swedish tax regulations have entered into force providing a tax-free threshold for savings in Investment Savings Accounts (ISK) and endowment insurance for the first SEK 300,000 of the capital base. This reform may increase the attractiveness of savings in these accounts and reduces the barriers to start saving, but there can be no assurance that Avanza will be able to benefit from such reform and there is a risk that this tax incentive could be reduced, amended or removed in the future as a result of changes in the political landscape. Furthermore, in 2025, the Group's deferred tax assets (+)/liabilities (-) totalled SEK 1.6 million/SEK 13.1 million. The recognition of deferred tax assets/liabilities pertaining to deductible temporary differences or loss carry-forwards is based on management's assessment of the future likelihood of the company generating taxable profits corresponding to the basis for deferred tax assets. Incorrect assessments risk having a material impact on the Group's results of operations and financial position. Any such events or incorrect assessments thus risk leading to increased tax expenses or additional taxes, and there is a risk these encompass significant amounts.

Risk Factors

For example, it can be noted that new legislation introducing a tax for credit institutions with liabilities amounting to a fixed threshold at the beginning of the tax year entered into force on 1 January 2022. The threshold for 2026 is set at SEK 197 billion and the tax rate is set to 0.06 per cent. of total debt attributable to business carried out in Sweden and business carried out by foreign branches of Swedish credit institutions. The tax does currently not affect the Group, since total liabilities in the bank fall below the threshold of SEK 197 billion.

Further, on 1 January 2025, a law to protect against overindebtedness entered into force, with the aim of phasing out the interest deduction on certain consumer loans that are not secured by acceptable collateral. The new rules took full effect from 1 January 2026 The Swedish Tax Agency has published a statement on its view on endowment insurance as collateral. According to the Swedish Tax Agency and the general interpretation of the law, endowment insurance does not qualify as acceptable collateral and interest costs on consumer loans with endowment insurance as collateral may not be deducted. Decreased interest deductions on margin lending on endowment insurance affects demand and could also affect the growth in volume of margin lending for Avanza and accordingly, Avanza has, together with certain other parties, submitted a formal request to the Swedish Ministry of Finance to amend the law.

1.4.7 <u>Changes to the Swedish Deposit Insurance Scheme and the investor protection</u>

The Swedish Deposit Insurance Scheme ("SDIS") guarantees costumers' deposits in the event Avanza Bank is declared bankrupt or if the Swedish FSA determines that the SDIS should be activated in a given situation. If activated, the insurance guarantees each customer compensation amounting to the value of the total funds in their account(s) with Avanza Bank, including accrued interest, until the time of bankruptcy or the Swedish FSA's activation decision. The maximum compensation is currently SEK 1,150,000. Further, according to the investor protection scheme in the Swedish law on investor protection (*lag (1999:158) om investerarskydd),* customers of Avanza are under certain circumstances guaranteed to receive compensation for lost securities up to a maximum value of SEK 250,000 if Avanza is declared bankrupt. Both the SDIS and the investor protection are administered by the Swedish National Debt Office.

There is a risk that regulatory changes which decrease the maximum compensation amount or change the SDIS and/or the investor protection are implemented have a negative effect on the amount of customer savings deposit or securities currently held with Avanza. This is likely to have a negative effect on Avanza's business and liquidity (should its number of depositors or investors decrease), funding and financial condition (should its assets decrease if depositors withdraw their deposits) and results of operations (should its liquidity and funding costs increase if the deposits decrease). The degree to which changes to the Swedish Deposit Insurance Scheme and/or the investor protection may affect Avanza is uncertain and presents a significant risk to Avanza's business and liquidity.

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2. RISKS RELATING TO THE NOTES

2.1 Avanza's obligations under the Notes are deeply subordinated

The Notes are intended to constitute unsecured, deeply subordinated obligations of the Avanza Consolidated Situation. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of (including any damages awarded for breach of any obligations under) the Notes (which in the case of any payment of principal shall be to payment of the then Nominal Amount only) shall at all times rank:

(a) pari passu without any preference among themselves;
(b) pari passu with:

(i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and
(ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

(c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

(d) junior to any present and future claims of:

(i) depositors of the Issuer;

(ii) any other unsubordinated creditors of the Issuer;

(iii) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital; and

(iv) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*).

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, there is a risk that the Issuer does not have enough assets remaining after payments to senior ranking creditors to pay amounts due under the Notes.

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No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.

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

As noted in the risk factors "*The Recovery and Resolution Directive*" above and "*Loss absorption at the point of non-viability of Avanza Bank*" below, there is a risk of the Notes being written-down or converted into other securities in a resolution scenario or at the point of non-viability of the Issuer.

2.2 Interest payments on the Notes may be cancelled by the Issuer

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

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

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

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

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2.3 Loss absorption following a Trigger Event

If at any time the CET1 Ratio has fallen below 7.00 per cent. of Avanza Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be written down by an amount sufficient to restore the CET1 Ratio of Avanza Consolidated Situation to at least 7.00 per cent., provided that the Nominal Amount of each Note may not be written down below SEK 1. The write down of the Notes is likely to result in a holder of Notes losing some or all of its investment. Following any such reduction of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met. The Issuer will not in any circumstances (including in the event of any subsequent increase or improvement of the CET1 Ratio of the Avanza Consolidated Situation) be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require unanimous approval at a shareholders' meeting of the Issuer and there can be no assurance that such shareholders would deem a reinstatement appropriate or in the interest of the Issuer and/or the relevant shareholder(s)).

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

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

2.4 Loss absorption at the point of non-viability of Avanza Bank

The holders of Notes are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the Swedish FSA). As noted above in the risk factor "*The Recovery and Resolution Directive*", the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring and without entering resolution. As a result, the BRRD contemplates that resolution authorities have the power to require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability and before any other bail-in or resolution tool can be used. Accordingly, in a worst case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

There is a risk that the application of any non-viability loss absorption measure results in the Noteholders losing some or all of their investment. Any such conversion to equity or write-off of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an event of default and any affected holder of Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power is inherently unpredictable and depends on a number of factors which are outside the Issuer's control. Any such exercise, or any suggestion that the Notes could be subject to such exercise, would, therefore, materially adversely affect the value of Notes.

Risk Factors

2.5 The Issuer may redeem the Notes on the occurrence of a Capital Event or Tax Event

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the Notes upon the occurrence of a Capital Event or Tax Event at par together with accrued Interest on any Interest Payment Date.

It should also be noted that the Issuer may redeem the Notes as described above even if (i) the Total Nominal Amount of the Notes has been reduced by means of a write-down in accordance with the Terms and Conditions and (ii) the principal amount of the Notes has not been fully reinstated to the initial Nominal Amount of the Notes.

There is a risk that the Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

2.6 The Notes have no maturity and call options are subject to the prior consent of the Swedish FSA

The Notes have no fixed final redemption date and the Noteholders have no rights to call for the redemption of the Notes. The Issuer has the option to, at its own discretion, redeem the Notes at any Business Day falling within the Initial Call Period or any Interest Payment Date falling after the Initial Call Period, but the Noteholders should not invest in the Notes with the expectation that such a call will be exercised by the Issuer.

If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA. The Swedish FSA may agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is therefore a risk that the Issuer will not exercise such a call or that the Swedish FSA will not permit such a call. The Noteholders may be required to bear the financial risks of an investment in the Notes for an indefinite period of time and there can be no assurance that the Issuer will or may exercise the call option.

2.7 Admission to trading, liquidity and the secondary market

The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or, if such admission to trading is not possible to obtain, admitted to trading on another Regulated Market. However, the Issuer is dependent upon the prior approval of the listing from Nasdaq Stockholm as well as the Swedish FSA approving the prospectus required for the purpose of listing the Notes on Nasdaq Stockholm. There is a risk that the Notes will not be admitted to trading in time, or at all. If the Issuer would fail to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or at all, the Noteholders would not be able to accelerate the Notes or otherwise request prepayment or redemption of the nominal amount of the Notes.

Even if the Notes are admitted to trading on the aforementioned market, active trading in the Notes does not always occur and a liquid market for trading in the Notes might not occur even if the Notes are listed. This may result in the Noteholders not being able to sell their Notes when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Notes. Further, the nominal value of the Notes may not be indicative compared to the market price of the Notes if the Notes are admitted to trading on Nasdaq Stockholm. It should also be noted that during a given time period it may be difficult or impossible to sell the Notes on the secondary market on reasonable terms, or at all, due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Risk Factors

2.8 Substitution or variation of the Notes

Subject to Clause 12.4 (*Redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) of the Terms and Conditions and the prior written permission of the Swedish FSA, the Issuer may, at its option and without the permission or approval of the relevant Noteholders, elect to substitute or vary the terms of all (but not some only) outstanding Notes for, or so that they become or remain, as applicable, Qualifying Securities if a Capital Event or Tax Event occurs.

There is a risk that, due to the particular circumstances of each Noteholder, any Qualifying Securities will be less favourable to each Noteholder in all respects or that a particular Noteholder would not make the same determination as the Issuer as to whether the terms of the relevant Qualifying Securities are not materially less favourable to Noteholders than the terms of the relevant Notes. The substitution or variation of the Notes may thus lead to changes in the Notes that have effects that are less favourable to the Noteholders. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequence suffered by any Noteholder). The degree to which the Notes may be substituted or varied is uncertain and presents a highly significant risk to the return of the Notes.

2.9 Structural subordination and dependence on upstreaming of funds

The Issuer is a holding company and the proceeds from the issue of the Notes will be contributed to Avanza Bank as an unconditional shareholders' contribution. Avanza's business is conducted by the Issuer's subsidiaries and the Issuer is reliant on the financial performance of these subsidiaries and their ability to make dividend distributions and other payments, to enable it to meet its payment obligations (including making payments under Notes). All 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, or other member of the Group will guarantee or provide any security for the Issuer's obligations under Notes.

2.10 The Issuer is not (and nor is any other Group Company) prohibited from issuing further debt, which may rank *pari passu* with or senior to the Notes

There is no restriction on the amount or type of debt that the Issuer, or another company within the Group, may issue or incur that ranks senior to, or *pari passu* with, the Notes. There is a risk that the incurrence of any such debt reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, limits the ability of the Issuer to meet its obligations in respect of the Notes and results in Noteholders losing all or some of their investment in the Notes. The degree to which other debt that ranks senior to, or *pari passu* with, the Notes may be issued is uncertain and presents a significant risk to the amount recoverable by Noteholders.

Risk Factors

2.11 The Issuer is not (and nor is any other Group Company) prohibited from pledging assets for other debt

There is no restriction on the amount or type of assets that the Issuer or any other Group Company can pledge, or otherwise use as security, for other debt. If the Issuer chooses to do so, there is a risk that this reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer and result in Noteholders losing all or some of their investment in the Notes. The degree to which any other asset pledged may affect the Noteholders is uncertain and presents a significant risk to the amount recoverable by Noteholders.

2.12 The Terms and Conditions do not contain any right for the Noteholders or the Agent to accelerate the Notes

The Notes are intended to constitute Additional Tier 1 Capital of the Avanza Consolidated Situation. As such, the Terms and Conditions do not include any obligations or undertakings on the Issuer, the breach of which would entitle the Noteholders or the Agent to accelerate the Notes. Accordingly, if the Issuer fails to meet any obligations under the Notes, including any payment of principal, interest and/or other amounts due under the Notes, Noteholders will not have any right to request repurchase of its Notes or any other remedy for such breach. As a result, there is a risk that the Noteholders will not receive any prepayment unless in the case of the Issuer being placed into bankruptcy or is subject to liquidation proceedings.

2.13 European Benchmarks Regulation

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmarks Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) were added and entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. There are future risks that the benchmark regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements is likely to lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published.

The Terms and Conditions provide that the interest rate benchmark STIBOR, which applies for the Notes, can be replaced as set out therein, upon the occurrence of a Base Rate Event which includes if STIBOR ceases to be calculated or administered. Such replacement shall be made in good faith and in a commercially reasonable manner and is always subject to the Applicable Capital Regulations and the prior written consent of the Swedish FSA. However, there is a risk that such replacement is not made in an effective manner and consequently, if STIBOR ceases to be calculated or administered, an investor in the Notes would be adversely affected. The degree to which amendments to and application of the European Benchmarks Regulation may affect the Noteholders is uncertain and presents a significant risk to the return on the Noteholder’s investment.