Nordiska Financial Partner Norway AS.

ANNUAL REPORT

2023

Index

Report of the board of directors

ABOUT NORDISKA FINANCIAL PARTNER NORWAY

Nordiska Financial Partner Norway AS (Nordiska FPN) is a licensed Credit- and Finance Institution. Approval was given by the Norwegian Ministry of Finance on 19 December 2007. Information about the license and permitted activities can be found in the Norwegian Financial Institutions Act Section 3-3, 1-2 and 1-5 no.1. Nordiska FPN's home state supervisor is Finanstilsynet, Norway. As of 31st of December 2023, the company consisted of the parent company, Nordiska FPN AS, and its branches in Sweden and Estonia. The Estonian branch is in the final stage in the process of being terminated.

Following the acquisition in 2021 by Nordiska Kreditmarknadsaktiebolaget (Nordiska), Nordiska FPN changed its operations from issuing small unsecured loans and revolving credits to the private consumer segment in Norway and Sweden to implementing Nordiska's business strategy and Partner Banking model with a focus on the Norwegian market. Nordiska's Partner Banking model focuses on partnerships with other financial companies who act as financial agents where Nordiska provides loans to customers mediated by Nordiska's Partners who function as distribution channel towards the customers.

Nordiska FPN prepares its financial statements in accordance with IFRS; see section 3-9 of the Norwegian Accounting Act. The directors' report also covers the company's operations; see section 3-3a of the Accounting Act.

The company's head office is at Dronning Eufemias gate 16, 0191 Oslo.

REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Total comprehensive income for 2023 ended at NOK -3.6 million compared with NOK -21.5 million in 2022. The process to sell and phase out the old "Folkefinans" portfolios to private consumers in Norway and Sweden started in 2022 and was finalized during 2023 having significant impact on both income and result. The result for the year after tax is proposed transferred to other equity.

Income

Interest income amounted to NOK 12.9 million in 2023 as the phase out of the old "Folkefinans" portfolios were finalized in Q4 with the remaining portfolio, Frogtail, being transferred to Nordiska compared to NOK 20.6 million in 2022. During 2023 Nordiska FPN had two Partners operating in the Norwegian market. With the Partners in Norway utilizing Nordiska's Partner banking set up the customers pay to Nordiska FPN's account, and Nordiska FPN's interest income in the statement of comprehensive income consists of interest and fees received from the customers deducted by the Partners' direct costs, interest, and fees from the funding of the Partner.

With the final old "Folkefinans" portfolio being taken over by Nordiska in Q4 and lending through the other brands stopped during the first half of 2022 total income for the Swedish branch declined from SEK 17 million in 2022 to SEK 8.3 million in 2023.

Operating expenses

Total operating expenses including personnel expenses, depreciation and other operating expenses were NOK 12 million in 2023 compared to NOK 22 million in 2022. Personnel costs were reduced by approx. NOK 8 million as a result of the downsizing process conducted in 2022. Consequently Nordiska FPN consisted of the management in Oslo and one employee in the Swedish branch during 2023. Other company functions like Legal, Compliance, Operations, IT and Accounting among others were carried out by Nordiska as the main business activities are carried out in the parent company. The cost for these functions are included as other operating expenses regulated through intercompany agreements. As lending of the consumer loans was stopped in 2022 the operation of the Swedish branch was kept at a minimum in order to maintain the wind down and final transfer of the Frogtail portfolio during 2023.

Loan loss provisions

The company's loan losses were positive with NOK 1.1 million in 2023 compared to a loss of NOK 9.4 million in 2022. The positive effect on losses on loans came as a result of the transfer of the Frogtail portfolio to Nordiska and consequent release of excess loan loss provisions related to the portfolio. Defaulted loans more than 90 days past due for the old "Folkefinans" portfolio were during 2023 sold monthly under a Forward Flow agreement to Riverty in Sweden. The agreement with Riverty was terminated by the end of the year.

Report of the board of directors (contd.)

Through the Partners who act as financial agents in Norway, Nordiska FPN provides loans to customers mediated by the Partners who function as the distribution channel towards the customers. The Partners find the customer and collect all necessary credit information which is risk assessed by Nordiska. If granted, the response is a decision ID that is used to create an account or make a withdrawal. The credit risk in the underlying portfolios is risk mitigated so that if a loan is defaulted beyond 90 days the Partner is obliged to buy back the loan or alternatively cover the costs from selling the loan to a third party so that Nordiska FPN does not have any credit losses as long as the Partner stays solvent. Further the Partners are required to hold additional cash reserves in a loan loss fund in the statement of financial position. Hence, the company is exposed to limited credit risk and the Partner Banking segment does not incur actual losses or loan loss provisions in the statement of comprehensive income.

STATEMENT OF FINANCIAL POSITION, FINANCING AND LIQUIDITY

Nordiska FPN's statement of financial position total as of 31st of December 2023 was NOK 247 million, compared to NOK 174 million in 2022. As the final old "Folkefinans" portfolio was transferred to Nordiska in Q4 loans to customers at the end of the year consisted only of loans generated by Nordiska FPN's Partners amounting to NOK 166 million. The loan portfolio from the new Partner Banking segment increased with NOK 73 million in 2023. In order to strengthen Nordiska FPN's statement of financial position -48a group contribution of 25 MSEK was obtained from Nordiska in January 2023.

The company is financed by (i) equity, (ii) a credit line from Nordiska and (iii) one subordinated loan of SEK 34.8 million also from Nordiska with loan terms and maturity that satisfies the requirements for the loan to be included as Tier II capital. The partnership funding from Nordiska amounted NOK 94 million at the end of 2023.

Nordiska FPN's liquidity situation during 2023 has been satisfactory. As of 31st of December 2023, the company had cash holdings incl. investments in highly liquid assets fund of NOK 65 million. Net cash flow from operations was negative with NOK -45 million mainly due to increase in lending through Partners. Cash flow from financing activities amounted to NOK 60 million as further funding for the Partner Banking business was obtained from Nordiska including the group contribution.

As a Visa Principal Member Nordiska FPN has obtained shares in Visa Inc. The shares were re-evaluated monthly during 2023 based on the quoted share price at NYSE. The A-shares were sold in Q3 and the remaining C-shares represent a value of approx. NOK 6.2 million.

MARKET AND PRODUCTS

As lending of old "Folkefinans"consumer loans were stopped and the portfolios were sold or phased out during 2022, the only remaining portfolio at the end of 2022 was consumer loans under the brand Frogtail in Sweden. The Frogtail portfolio was migrated to Nordiska's loan platform Mambu and transferred to Nordiska in Q4 2024.

After the implementation Nordiska's business strategy and Partner Banking model in Norway in 2022 two Partners were active in the Norwegian market during 2023. Nordiska has established an infrastructure and platform that facilitates opportunities for growth and development through, among other things, partnerships with other financial institutions. The partnership structure enables an efficient and scalable risk model that at the same time ensures a well-adapted customer treatment that safeguards their rights. The Partner Banking model in Norway has been aligned with Norwegian regulations, where the main difference will be that the partners act as financial agents.

Nordiska FPN performs its own credit assessment of the credits, regardless of distribution method, and the credit portfolios will be risk mitigated by forward flow agreements, either against the Partners or with a third party active in the purchase of overdue receivables.

The first Partner who launched their services in the Norwegian market in 2022, terminated their agreement with Nordiska FPN in 2023 and lending will consequently be stopped in May 2024. With only one remaining Partner operating in Norway the board of Nordiska FPN has decided to initiate a process to assess the strategy including how Nordiska best organizes its operation in Norway going forward.

RISKS AND CAPITAL ADEQUACY

Nordiska FPN is exposed to various types of financial risks, including credit risk, market risk, operational risk, funding risk, strategic and regulatory risks.

Report of the board of directors (contd.)

The company focuses on having risk awareness in all parts of the organization.

The ability to manage risks and conduct capital planning is fundamental for having a profitable and stable company. Nordiska FPN has implemented polices and guidelines to ensure that the business is operated in accordance with accepted risk levels and regulatory requirements.

The Board of Directors is responsible for ensuring that the capital adequacy is in line with the adopted risk profile, regulatory requirements and that the company has a strong capital management.

The Board has set up an Audit & Risk Committee consisting of two board members and the Chief Financial Officer in Nordiska. The Committee acts as a preparatory body for the Board and supports the Board in carrying out its responsibilities for financial reporting, audits, internal control and overall risk management.

The General Manager has executive responsibility for the Board's decisions, the effectiveness of internal controls and ensuring compliance with policies and guidelines.

The credit risk is the largest risk for Nordiska FPN, however the partnership structure enables an efficient and scalable risk model minimizing this risk. The Board has adopted a credit policy with guidelines for the credit organization, credit approval process, credit risk exposure and credit governance.

The market risk contains mainly currency risks because the company's assets and debt are denominated in SEK/EUR and the reporting currency is NOK. Nordiska FPN holds some financial assets connected to the business operation, but all other free liquidity is placed on secured deposit accounts at larger banks. The Finance Department is responsible for monitoring the market risk and max levels, while the policy concerning financial assets is set by the Board.

The company seeks to optimize the use of liquidity to maximize profit. The Board has adopted a Liquidity Policy. The Finance Department is responsible for monitoring and reporting the liquidity risk.

In relation to the company's statement of financial position as of 31st of December 2023 the foreign exchange risks and credit risks are linked to loans in local currencies in Nordiska FPN's markets. The Board has established policies to secure a balance of risk taking and control of risks. Pilar I and II risks are described in further detail in the notes to the financial statements. To reduce overall market risk Nordiska FPN hedges its currency exposure. Nordiska FPN's capital adequacy ratio (CET 1) ended at 41.8 % in 2023, compared to 27.5 % in 2022.

CORPORATE GOVERNANCE

Nordiska FPN's Board of Directors has the ultimate responsibility for the company's internal governance and control, as well as its business and organization. The Board's primary task is to safeguard the interests of the shareholders and the company. This means that the Board is responsible for confirming the internal policies and overarching objectives and strategies, and for ensuring that these objectives and strategies are reviewed and monitored on an ongoing basis. The Board is appointed by the General Assembly and consists of five permanent members, one of whom is the Chairman of the Board. All Board members are covered under Nordiska's board insurance. The Board held 4 board- and general assembly meetings during 2023. The key issues discussed were follow-up on the financial development, compliance update including approval of ICAAP and yearly policy review, and business development for the Norwegian market.

DECLARATION CONCERNING CORPORATE SOCIAL RESPONSIBILITY

Human rights

Risk management and internal control form an integral part of Nordiska FPN's business processes. Operational risk includes events which have a negative impact on the company, including unethical actions or omissions in breach of human rights. Risk management and internal control thus integrate human rights by ensuring that the business processes are aimed at minimizing operational risk and ensure the implementation of measures in the event of exposure to such risk.

Workers' rights, equality, non-discrimination, social concerns and external environment

Nordiska FPN believes in being an inclusive and diverse organization where anyone can reach their full potential.

Report of the board of directors (contd.)

The company has always placed emphasis on giving women and men the same opportunities for professional and personal development, salary and promotion and that the gender distribution shall be well balanced. Nordiska FPN reported at the end of Q2 on how the company addresses adverse impacts on fundamental human rights and decent working conditions in accordance with the Norwegian Transparency Act. See website for full report https://www.nordiskanorway.com/om-oss/apenhetslover/.

The company has clear policies, staff rules, code of conduct and whistle blowing contact to the Human Resource and Compliance departments in Nordiska, including (i) human rights issues, (ii) internal and external corruption, (iii) fraud and (iv) internal and external working environment.

Nordiska FPN is also putting strong focus on the physical and cultural well-being of its staff through various activities. Nordiska FPN takes part in Nordiska's regular employee satisfaction surveys regarding social climate and employee well-being. The employee survey conducted in Nordiska for 2023 showed that the working environment is good and in line with the financial services industry average.

Nordiska FPN had no sickness absence in 2023. There have been no personal injuries in the workplace during 2023. There are no circumstances relating to the operations, including input factors and products that may result in a significant effect on the external environment.

Nordiska FPN has maintained the tradition of giving contributions to social and economic benefits in its community. In 2023 the company took part in Nordiska's sponsoring of a football association in Sundsvall which also includes sponsorship of a parasport team and an extra support towards girls in socio-economically disadvantaged areas called SDFF Plus.

Combatting Corruption

Nordiska FPN has adopted guidelines which stipulate that the operations must be carried out with high standards of ethics and integrity. Nordiska FPN is part of Nordiska's ethical guidelines which impose requirements on employees, elected representatives and the company's conduct, including a ban on receiving, requesting or acceptance of offers of undue benefits and a ban on offering financial benefits or gifts to business connections or others which could be perceived as an undue benefit. Requirements are also imposed on employees and elected representatives regarding competence, due diligence and whistleblowing. The guidelines and procedures also include a description of measures and business processes which are intended to prevent acts such as fraud, identity theft and corruption.

FUTURE PROSPECT & CONTINUANCE

The preparation of the financial statements is based on the going concern assumption and the financial statements give a true and fair view of the assets, liabilities, financial position and results as of 31st of December 2023.

The development in the Norwegian market during 2023 with the first main Partner having decided to terminate the co-operation with Nordiska FPN as the partner obtained their own banking license, has not been satisfactory. The Board will thus await the outcome of the initiated assessment of strategy and organization of the Norwegian operation during the coming months and then conclude on the way forward. The board however still has a positive view on the opportunities for growth and development through partnerships with other financial institutions in the Norwegian market.

Report of the board of directors (contd.)

Oslo, 21st of March 2024

The Board of Nordiska Financial Partner Norway AS

Mikael Gellbäck

Chairman of the board

Per Berglund

Director

Lars Weigl

Director

Patrik Carlstedt

Director

Christer Cragnell

Director

Jens Schau-Hansen

General Manager

IFRS financial statements

Notes to the financial statements

Statement of comprehensive income (NOK)

	Note	2023	2022
Interest income - assets measured at amortised cost		12 874 402	20 618 782
Interest expenses		-5 019 621	-3 611 243
Net interest income	8	**7 854 781**	**17 007 539**
Fee and comission expenses		-1 129 452	-2 372 490
Net change in value on securities and currency	6a	723 939	-4 736 063
Net income from financial assets		**7 449 269**	**9 898 986**
Personnel expenses	14, 15	-3 893 358	-12 190 703
Depreciation, amortisation and impairment	5	-1 220 954	-1 566 906
Other operating expenses	16	-7 070 050	-7 986 812
Net operating income before losses on loans		**-4 735 093**	**-11 845 434**
Losses on loans	7	1 145 063	-9 375 627
Result before tax		**-3 590 030**	**-21 221 061**
Tax	17	2 789	0
Result after tax		**-3 587 241**	**-21 221 061**
Items to be recycled to profit and loss			
Exchange differences on translating foreign operations		7 225	-295 799
Sum other comprehensive income		**7 225**	**-295 799**
Total comprehensive income		**-3 580 016**	**-21 516 860**

Statement of financial position (NOK)

	Note	2023	2022
ASSETS			
Loans and deposits to credit institutions	6a, 6b, 10	65 297 847	42 007 757
Loans to customers	6a, 6b, 7	165 932 504	109 205 197
Investment securities	6a	8 514 362	12 887 704
Tangible assets	5	353 245	1 908 606
Other assets	9	3 025 036	3 654 115
Prepaid and deposits	6a	3 440 314	4 426 660
Total assets		**246 563 308**	**174 090 038**
LIABILITIES			
Debt to credit institutions	6a, 13	94 343 731	56 442 846
Derivatives	6a, 13	447 440	205 739
Other liabilities	6a, 12, 14, 18	38 095 047	26 363 492
Subordinated loan	6a, 13	35 879 831	33 494 609
Total liabilities		**168 766 050**	**116 506 687**
EQUITY			
Share capital	11, 21	96 123 230	96 123 230
Share premium	11	79 262 471	79 262 471
Other paid in equity		5 151 098	5 151 098
Retained earnings		-102 739 540	-122 953 447
Total equity		**77 797 259**	**57 583 352**
Total liabilities and equity		**246 563 308**	**174 090 038**

Oslo, 21st of March 2024

The Board of Nordiska Financial Partner Norway AS

Mikael Gellbäck

Chairman of the board

Per Berglund

Director

Lars Weigl

Director

Patrik Carlstedt

Director

Christer Cragnell

Director

Jens Schau-Hansen

General Manager

Statement of changes in equity (NOK)

	Note	Share capital	Share premium	Other paid in Equity	Retained earnings	Total equity
Equity at 1 January 2022		**96 123 230**	**79 262 471**	**5 151 098**	**-101 436 587**	**79 100 212**
Exchange differences on translating foreign operations					-295 799	-295 799
Result after tax					-21 221 061	-21 221 061
Equity at 31 December 2022	**11**	**96 123 230**	**79 262 471**	**5 151 098**	**-122 953 447**	**57 583 352**
Registered share capital		96 705 080				
-own shares		581 850				
Equity at 1 January 2023		**96 123 230**	**79 262 471**	**5 151 098**	**-122 953 447**	**57 583 352**
Exchange differences on translating foreign operations					7 225	7 225
Result after tax					-3 587 241	-3 587 241
Group Contribution					23 793 922	23 793 922
Equity at 31 December 2023	**11**	**96 123 230**	**79 262 471**	**5 151 098**	**-102 739 540**	**77 797 259**
Registered share capital		96 705 080				
-own shares		581 850				

Statement of cash flow (NOK)

	Note	2023	2022
Cash flow from operations			
Result before tax		-3 590 030	-21 221 061
Net interest		-7 854 781	-17 007 539
Interest received		12 874 402	20 618 782
Interest paid		-5 019 621	-3 611 243
Depreciation and impairment of tangible assets	5	1 220 954	1 555 565
Unrealised impact from investments		-2 998 774	0
Unrealised currency impact		1 495 979	2 143 863
Adjustment for other entries affecting cash flow		3 273 529	5 873 058
Income tax paid		0	0
Changes in loans to customers		-56 727 307	46 814 997
Changes in other receivables		629 079	11 883 001
Change in other payables		11 731 555	14 858 858
Net cash flow from operations		**-44 965 014**	**61 908 281**
Cash flow from investing activities			
Dividend received			0
Disposal financial assets	6a		0
Realized Investments		7 483 347	0
Net cash flow used for investing activities		**7 483 347**	**0**
Cash flow from financing activities			
Payments related to lease liabilities		-1 503 921	-1 486 084
Borrowing from credit institutions - New Partner Business	13	37 900 885	56 440 517
Borrowing from credit institutions - Old Folkefinans portfolio	13		-111 515 993
Group Contribution		23 793 922	
Net cash flow used for financing activities		**60 190 886**	**-56 561 560**
Effects of exchange rate changes on the balance of cash held in foreign currencies		**580 871**	**-386 917**
Change in cash, cash equivalents		**23 290 090**	**4 959 804**
Cash, cash equivalents as of 1 January	10	42 007 757	37 047 953
Cash, cash equivalents as of 31 December	**10**	**65 297 847**	**42 007 757**

Notes to the financial statements

NOTE 1. GENERAL INFORMATION

Nordiska Financial Partner Norway AS (Nordiska FPN) is a licensed Credit- and Finance Institution. Approval was given by the Norwegian Ministry of Finance on 19 December 2007. Information about the license and permitted activities can be found in the Norwegian Financial Institutions Act Section 3-3, 1-2 and 1-5 no.1. Nordiska FPN's home state supervisor is Finanstilsynet, Norway. As of 31st of December 2023, the company consisted of the parent company, Nordiska FPN AS, and its branches in Sweden and Estonia. The Estonian branch is in the final stage in the process of being terminated.

Following the acquisition in 2021 by Nordiska Kreditmarknadsaktiebolaget (Nordiska), Nordiska FPN changed it's operations from issuing small unsecured loans and revolving credits to the private consumer segment in Norway and Sweden to implementing Nordiska's business strategy and Partner Bank model with a focus on the Norwegian market. Nordiska's Partner Bank model focuses on partnerships with other financial companies who act as financial agents where Nordiska provides loans to customers mediated by Nordiska's Partners who function as distribution channel towards the customers.

The Company's head office is at Dronning Eufemias gate 16, 0191 Oslo.

The financial statements were approved by the Company's board on 21st of March 2024.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Below is a description of the most significant accounting policies applied when preparing the financial statements. These policies were applied consistently in all the periods presented, if not otherwise commented.

2.1 Basis for preparation

Nordiska FPN's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU. The financial statements have been prepared under the historical cost convention, except for the measurement of financial assets measured at fair value through profit and loss (FVPL) and derivatives.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. The application of the Company's accounting policies also requires the management to exercise its judgements in the process of applying the group's accounting policies. Areas that to a large extent contain such discretionary assessments or a high level of complexity or areas in which assumptions and estimates are important to the financial statements are disclosed in note 4 when relevant.

2.1.1 Adoption of new and revised International Financial Reporting Standards and Interpretations

No new standards, amendments or interpretations has been adopted by the company during 2023.

2.2 Segment reporting

The Company is not subject to any requirement of separate segment reporting as there is only one segment present, i.e. financial services to the consumer and SME market.

2.3 Translation of foreign currencies

(a) Functional currency and presentation currency

The financial statements of the branches in the Company are prepared using the currency which is mainly used in the economic environment in which the entity operates (functional currency). The financial statements are presented in Norwegian kroner (NOK), which is both the functional currency and presentation currency of the Company.

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the transaction date exchange rate. At the end of a reporting period, monetary items (assets and liabilities) in foreign currencies are translated at the exchange rate prevailing on the statement of financial position date.

Notes (contd.)

(c) Branches

The statement of comprehensive income and statement of financial position for the branches whose functional currency differs from their presentation currency are translated as follows:

(a) The statement of financial position is translated at the closing rate on the statement of financial position date

(b) The statement of comprehensive income is translated at the average rate (if the average does not provide a reasonable estimate of the accumulated effects of using the transaction rate, then the transaction rate is used)

(c) Translation differences are recognised directly in Other comprehensive income

Goodwill and fair value adjustments to assets and liabilities acquired in a business combination are recognised as assets and liabilities in the acquired entity and translated at the exchange rate prevalent at the date of the statement of financial position.

2.4 Tangible fixed assets

Tangible fixed assets are recognised in the financial statements at their cost of acquisition less depreciation (carrying amount). The cost of acquisition includes costs directly attributable to the acquisition of the asset.

Fixed assets are depreciated according to the straight-line method, so that the fixed assets' original cost is depreciated to the residual value over the estimated useful life, which is:

Fixtures, fittings and equipment: 3 - 5 years

The useful life and residual value of fixed assets are assessed on each statement of financial position date and changed if necessary.

When a fixed asset's carrying amount is higher than the estimated recoverable amount, the value is written down to the recoverable amount.

2.5 Impairment of non-financial assets

Tangible fixed assets and intangible assets that are depreciated are reviewed for impairment when there are indications that future earnings cannot justify the asset's carrying amount.

Impairment is recognised in the statement of comprehensive income as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. When assessing impairment, the fixed assets are grouped at the lowest level where it is possible to identify independent cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered impairment are reviewed for possible reversal at each reporting date.

2.6 Financial instruments

2.6.1 Initial recognition and derecognition

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date the Company commits or sell the asset. At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or liability, such as fees and commissions. Transaction costs of financial assets and liabilities carried at fair value through profit and loss are expensed in profit and loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired

2.6.2 Classification and subsequent measurement

The company classifies its financial assets in the following measurements categories:

- Amortised cost
- Fair value through profit or loss (FVPL)

Notes (contd.)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the company's original expectations, the company does not change the classification of the remaining financial assets held in that business model. It rather incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Cash Flow assessment

A financial asset is assessed at fair value through profit or loss where 'principal' is defined as the fair value of the financial asset on initial recognition adjusted for accrued effective interest and principle repayments. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

Financial assets measured at amortised cost consist of loans and deposits from credit institutions and loans to customers and accounts receivable.

Financial assets measured at fair value through profit or loss (FVPL) consist of investment securities and derivatives.

Financial liabilities - classification and subsequent measurement

Financial liabilities are classified and subsequently measured at amortised cost, except for financial derivatives measured at fair value through profit and loss. Financial liabilities measured at amortised cost comprise of debt to credit institutions, accounts payable and other liabilities and subordinated loan.

Impairment

According to IFRS 9 loss provisions are recognized based on a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts.

The measurement of the impairment provisions for expected loss depends on whether credit risk has increased significantly since initial recognition. Upon initial recognition, and when credit risk has not increased significantly after initial recognition, the impairment provisions is based on 12-month expected credit loss ("Stage 1"). If credit risk has increased significantly since initial recognition but no objective evidence of impairment, the impairment provisions are based on lifetime expected credit loss ("Stage 2"). If there is objective evidence for impairment the impairment provision are based on lifetime expected credit loss ("Stage 3 ").

The Company has applied the presumption in the standard that a signifikant increase in credit risk has occurred since initial recognition when contractual payments are more than 30 days past due.

Nordiska FPN sold all defaulted consumer loan assets after 3 months past due in 2023. Defaulted loans in the "Folkefinans" portfolio were sold monthly under agreements with Riverty so called Forward Flow agreements Sweden. The initial loss forecast was based on the percent of assets forecasted not to be paid in 3 months. This was adjusted with the agreed price of assets, based on the mix of loan assets. If the loss expectation increased or decreased during the 3 months the loss forecast was adjusted. The adjustment was based on the experienced historical payments from due date to asset is sold. The agreeement with Riverty was terminated at the end of 2023.

Nordiska FPN has used the expected credit loss principle for loans to private consumers since the company was established, so the IFRS 9 standard does not affect the Company's measurement of the quantitative effect of credit risk significantly compared to earlier practice.

In the Partner Bank model Nordiska FPN provides loans to the customers mediated by the Partner who functions as the distribution channel towards the customers.

Notes (contd.)

This means that the Partner finds the customer and collects all necessary credit information which is risk assessed by Nordiska. If granted, the response is a decision ID that is used to create an account or make a withdrawal. The credit risk in the underlying portfolios is risk mitigated so that defaulted loans beyond 90 days past due are transferred back to the partner at 100% of the face value and sold to a third party under Forward Flow agreements. Further the Partner is obliged to cover potential losses and is required to deposit cash with Nordiska as a loan loss fund. Hence, the company is exposed to very little credit risk in the Partner Banking model and has not incurred any loan loss in the statement of comprehensive income since the startup in 2022.

For loans to and deposits with credit institutions the Company has not made any provision for potential losses.

Impairments of loans are recognized based on the Company's loan loss models. The models are based on historical information and when no performance data is available, as for new products, the loss expectation is put on same level as for equivalent products.

2.6.3 Measurement methods and presentation

Financial assets and liabilities measured at amortised cost

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal payments, plus or minus the cumulative amortization using the effective interest method of any differences between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The gross carrying amount of financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest method is utilized for the "Folkefinans" and the Partners' loan portfolios. In the Partner Banking model the customers pay to Nordiska FPN's account, and Nordiska FPN's interest income in the statement of comprehensive income consists of interest and fees received from the customers deducted by the Partner's direct costs, interest, and fees from the funding of the Partner.

Under IFRS 9 Interest income is calculated for financial assets in stage 1 and stage 2 by applying the effective interest rate to the gross carrying amount of the financial asset or to the amortised cost of the financial liability, while interest income for financial assets in stage 3 are calculated based on the amortised cost of the financial asset.

Interest income and expense calculated using the effective interest method is presented within 'Interest income' and 'interest expense' in the statement of comprehensive income. 'Interest income' consist of interest income on loan and deposits with credit institutions and interest on loans to customers. 'Interest expense' consist of interest expense on the partner funding from Nordiska and interest expense from the subordinated loan.

Financial assets and liabilities measured at fair value

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.7 Share capital and share premium

Ordinary shares are classified as equity.

Expenses which are linked directly to the issuance of new shares or options are recognised as a reduction in the payment received in the equity net of attributable income tax.

When own shares are bought, the payment including any transaction costs less tax, is recognised as a reduction in equity (allocated to the company's shareholders) until the shares are annulled or reissued. If own shares are later reissued, the payment less direct transaction costs and associated tax effects, is recognised as an increase in the equity allocated to the company's shareholders.

2.8 Other liabilities

Other liabilities are measured at their fair value when initially recognised in the statement of financial position. When subsequently measured, other liabilities are valued at amortised cost.

Notes (contd.)

2.9 Liabilities

A liability is recognised in the financial statements at its fair value when it is paid out. There are no significant establishment costs. In subsequent periods, the liability is measured at amortised cost.

2.10 Tax payable and deferred tax

The tax for a period consists of the income tax payable and deferred tax. Tax is recognised in the statement of comprehensive income apart from when it relates to entries that have been recognised directly in equity. If this is the case, the tax is also recognised directly in equity.

The income tax is calculated in accordance with the tax laws and regulations that have been adopted, or substantively adopted, by the tax authorities on the statement of financial position date. Legislation in the countries in which the Company's branches operate and generate taxable income applies to the calculation of the taxable income.

Deferred tax assets are presently not recognised in the statement of financial position and will only be recognised when it is probable that future taxable income will exist and that the temporary differences can be deducted from this income.

2.11 Pension commitments, bonus schemes and other employee compensation schemes

(a) Pension commitments

The Company has no pension schemes in the form of defined benefit plans. There are formal contribution plans in Norway and Sweden, as part of a limited number of employees' salary contracts, undertaken to set aside percentage of employees' salaries for future pension benefits or as contributions to pension schemes.

(b) Other commitments linked to former employees

The Company has no commitment linked to former employees.

(c) Share-based remuneration

The Company has not formalised any scheme involving share-based remuneration.

(d) Severance pay

None of the Company branches has separate severance pay schemes.

(e) Profit sharing and bonus plans

The Company has no pre-agreed profit-sharing schemes aligned with the owner Nordiska's remuneration policy.

2.12 Revenue recognition

(a) Interest income

Interest income is recognized in the statement of comprehensive income over time in accordance with the effective interest rate method and in accordance with the duration of the loan.

(b) Fee revenue

Fee revenues are recognized in the statement of comprehensive income over time in accordance with the effective interest rate method and in accordance with the duration of the loan.

2.13 Leases

When entering into a contract, the Company assesses whether the contract contains a lease agreement. The contract contain a lease agreement if the contract transfers the right to control the use of an identified asset for a period in exchange for a consideration.

Upon initial recognition in the balance sheet, the right of use is measured at acquisition cost, ie the lease obligation (present value of the lease payments) plus advance lease and any direct acquisition costs. The right of use is included in the line «Property, plant and equipment» while the lease obligation is included in the line «Other debt».

2.14 Cash, cash equivalents and Partner liability

Cash and cash equivalents in cash-flow statement consists of bank deposits. This includes cash received from, or not paid out to the Partners as security for the Partners obligation to cover any credit losses in the loan portfolio. This cash is not restricted, and is included as part of cash and cash equivalents. At year-end 2023 this amounted to 31 MNOK. The corresponding Partner liability is recognized as part of other liabilities in the statement of financial position and in the cash flow statement as part of change in other payables.

Notes (contd.)

NOTE 3. FINANCIAL RISK MANAGEMENT

Risk Management ensures compliance with internal and external regulations, such as Basel II and Basel III. In addition strong emphasis is placed on reporting risk to the relevant stakeholders in clear and meaningful manner. Nordiska FPN's Risk Management function is responsible for managing risks in accordance with policies and instructions governed by the Board of Directors (Board) in line with the stipulated regulations by the Governmental Authorities. The Board is responsible for evaluating its work and its expertise related to risk management and internal control at least once per year. The General Manager is obliged to give the Board relevant and timely information that is of importance to risk management and internal control, including information on new risks.

3.1 Financial Risk Management

3.1.1 Credit risk

Credit Risk is the risk of earning and capital arising from an obligor's failure to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. Credit Risk in Nordiska FPN's statement of financial position relates mostly to the company's lending to the general public. In addition, Nordiska FPN is exposed to Credit Risk in the form of counterparty risk relating to Nordiska FPN's cash deposits with banks.

(I) Credit Risk from Consumer Receivables ("Lending to the General Public")

In the Partner business model if the loan is more than 90 days overdue the Partner is obliged to buy back the loan or alternatively cover the cost from selling the loan to a third party so that Nordiska FPN does not have any credit losses as long as the Partner stays solvent. In addition the Partner deposits funds as cash collateral according to the contract. The minimum cash collateral level is linked to the PD levels of the portfolio to ensure it stays well above the loan loss provision levels according to IFRS 9. As at 31 December 2023 the calculated ECL for the partner loan portfolio is 3,7 MNOK and the corresponding cash collateral is 31 MNOK. Due to this there are not recogninsed any provisions in the balance sheet.

(II) Counterparty Risk from Deposits at Banks

The excess liquidity generated from the business is placed in accounts within banks with high ratings. The risk consists of the banks not having the repayment capacity with regards to the funds that has been place within the designated accounts. The rating of these counterparties is carried out by Standard & Poor's and Moody's.

3.1.2 Market risk

Risk exposures attributable to the market risk category consist of Interest rate risk, Currency risk and Share risk

(I) Interest Rate Risk

Interest rates are linked to 3M Nibor for both the rate towards the Partners and for the funding from owner Nordiska so interest rate risk is minimal. Nordiska FPN also hold a subordinated loan from owner Nordiska that has a fixed interest rate. Nordiska FPN also own shares in a mutual fund focused on Government bonds to apply with LCR requirements. The fund only invest in bonds with a maturity less than 1 year so interest rate risk should be minimal. All in all we view the interest rate risk of Nordiska FPN as low.

(II) Currency Risk

The Company's assets are denominated in NOK, SEK and EUR and the Company's accounts are denominated in NOK. Consequently the Company has net exposure in SEK and EUR. To eliminate the currency risk Nordiska FPN has entered into 3 month rolling swap contracs for the relevant currencies so that the net currency exposure is close to zero.

(II) Share Risk

As part of the Visa Principal Membership Nordiska FPN owns preferred shares in Visa. The value of the shares fluctuates with the share price of Visa Inc on NYSE. Nordiska FPN has presently not hedged the exposure to the Visa share price. The shares are not traded on NYSE, but their value is linked to the price on the tradeable Visa Inc shares as they will at some point in the future be converted into regular Visa shares.

Notes (contd.)

3.1.3 Operational risk

Operational Risk is the risk of losses resulting from inadequate or failed internal processes, human errors and systems or from external events including legal and compliance risks.

Operational Risk can be found within all of Nordiska FPN's operating units. The main operational risks within Nordiska FPN are as per following:

(i) One or several premises of the Company are burned down caused by fire

(ii) The IT systems administrating and managing the lending process is impaired by a technical break down or power outage and temporary is out of function

(iii) External and internal fraud

(iv) Legal and regulatory risk

(v) Management risk

Successful management of operational risks on daily basis requires strong internal control and quality assurance, which is best achieved by means of having a proficient management and staff. Nordiska FPN manages operational risks by continuously improving its internal routines and day-to-day control procedures in cooperation with the parent Nordiska.

3.1.4 Liquidity and funding risks

Liquidity risk means the risk that Nordiska FPN will not be able to fulfill its payment obligations due to lack of cash which can only be fulfilled by borrowing at a significantly higher cost than normal or by the need to sell assets at a greatly reduced price.

Nordiska FPN will in the forecast period aim to have a cash buffer of minimum 10 MNOK and 2 MNOK in government bonds as a liquidity buffer. Funding for the new Partner business is covered through a credit facility from the owner Nordiska.

3.1.5 Business risk

Business risk is defined as earnings risk and strategic risk. Earnings risk is defined as the risk that Nordiska FPN does not receive current revenues to the extent expected or that a significant change occurs with regard to the demand for the Company's products. Strategic risk is defined as the risk of loss due to misguided or incorrectly implemented business decisions and / or an inability to make applicable decisions in the event of significantly changed conditions in the industry in which Nordiska FPN operates.

Nordiska FPN manages the business risk by establishing a business plan that is followed up on an ongoing basis by the Company's Board and Management. Nordiska FPN monitors the market and analyzes the outcome of implemented business decisions. Nordiska FPN has short decision paths and a management that has good insight into day-to-day operations. This means that the business can quickly adapt to prevailing conditions to achieve the established business plan.

3.1.6 Systemic Risk

Nordiska FPN is exposed to external events such as a downturn in the overall economy, and financial stress in the banking sector. In the ICAAP process Nordiska FPN explores several different stress scenarios to ensure that the Company has sufficient capital and liquidity as well as funding structure to handle the various stressed scenarios.

3.2 Capital adequacy

To meet the requirements from the Norwegian Financial Supervisory Authority, the Company's capitalization is risk-based, founded on an assessment of all risks inherent in the operations and forward looking, aligned with strategic and business planning.

Capital requirements for Pillar I risks are calculated using the standardized approach for credit risk, and the basic indicator approach for operational risk. For market risks the standard method for non-trading activities is applied.

The current capital base as per 31 December 2023 includes 78 MNOK of Tier 1 Capital and 28 MNOK Tier 2 Capital. The capital adequacy ratio is 41,8 % for Tier 1 capital and 57,0 % for total capital.

Notes (contd.)

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Deferred tax assets

Deferred tax assets are presently not recognised in the statement of financial position and will only be recognised when it is probable that future taxable income will exist and that the temporary differences can be deducted from this income. For more information see note 2.6.10.

Notes (contd.)

NOTE 5. TANGIBLE FIXED ASSETS

2023 financial year	Right-of-use asset	Machinery, fixtures, fittings and vehicles	Total
Carrying amount 01.01.23	**1 885 966**	**22 640**	**1 908 606**
Additions	717 211	-	717 211
Translation differences	94 864	1 534	96 398
Disposals	-1 146 935	-8 806	-1 155 741
Impairment during the year	-	-	-
Depreciation during the year	-1 197 861	-15 368	-1 213 229
Disposals depreciation and impairment	-	-	-
Carrying amount 31.12.23	**353 245**	**0**	**353 244**
As at 31 December 2023			
Original cost	1 066 284	-	1 066 284
Accumulated impairment	-	-	-
Accumulated depreciation	-713 039	-	-713 039
Carrying amount 31.12.23	**353 245**	**0**	**353 245**

2022 financial year	Right-of-use asset	Machinery, fixtures, fittings and vehicles	Total
Carrying amount 01.01.22	**2 876 605**	**104 460**	**2 981 065**
Additions	581 727	-	581 727
Translation differences	-24 824	2 130	-22 694
Disposals	0	-37 601	-37 601
Impairment during the year	0	0	-
Depreciation during the year	-1 547 543	-46 348	-1 593 891
Disposals depreciation and impairment	0	0	-
Carrying amount 31.12.22	**1 885 966**	**22 640**	**1 908 606**
As at 31 December 2022			
Original cost	6 600 792	1 631 490	8 232 282
Accumulated impairment			-
Accumulated depreciation	-4 714 826	-1 608 850	-6 323 676
Carrying amount 31.12.22	**1 885 966**	**22 640**	**1 908 606**

Notes (contd.)

NOTE 6A. FINANCIAL INSTRUMENTS BY CATEGORY

As of 31 December 2023	Financial assets at amortised cost	Financial assets at fair value through P&L	Total
Assets			
Loans to and receivables from credit institutions	65 297 847		65 297 847
Loans to customers	165 932 504		165 932 504
Investment securities		8 514 362	8 514 362
Derivatives		0	0
Prepaid and deposits	3 440 314		3 440 314
Total	**234 670 665**	**8 514 362**	**243 185 027**

As of 31 December 2023	Other financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
Liabilities			
Liabilities to credit institutions	94 343 731		94 343 731
Derivatives		447 440	447 440
Other liabilities	38 095 047		38 095 047
Subordinated loan	35 879 831		35 879 831
Total	**168 318 610**	**447 440**	**168 766 050**

Through Nordiska FPN's Visa Europe Principal membership, the Company owns shares in Visa Inc., where the value of the shares has been reassessed monthly in 2023 (level 2). The valuation is based on the price of the VISA Inc share on the New York Stock Exchange (nyse.com) multiplied by the number of shares owned by the Company multiplied by a conversion factor defined by VISA Inc. minus a market discount linked to the marketability of the shares. Nordiska FPN's 919 C shares represent a value of 6,153 TNOK.

To be compliant with FSA short term liquidity standards (LCR) Nordiska FPN invests in funds comprised of highly liquid assets (level 1). As per 31.12.2023 Nordiska FPN owned bond funds valued at 316 TNOK in "SEB Kortrentefond SEK B utd" (SEK) and 2,006 TNOK in "KLP Kort Stat P" (NOK). The funds are traded in an active market and fair value is based on quoted market prices at the end of the reporting period. The fund investments are classified as investment securities.

As of 31 December 2022	Amortised cost	Financial assets at fair value through P&L	Total
Assets			
Loans to and receivables from credit institutions	42 007 757		42 007 757
Loans to customers	109 205 197		109 205 197
Investment securities		12 887 704	12 887 704
Derivatives		0	0
Prepaid and deposits	4 426 660		4 426 660
Total	**155 639 614**	**12 887 704**	**168 527 318**

As of 31 December 2022	Financial liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
Liabilities			
Liabilities to credit institutions	56 442 846		56 442 846
Derivatives		205 739	205 739
Other financial obligations	26 363 492		26 363 492
Subordinated loan	33 494 609		33 494 609
Total	**116 300 948**	**205 739**	**116 506 687**

Notes (contd.)

Net change in value on securities and currency

	2023	2022
Unrealised currency impact	-1 365 509	-2 527 220
Realised currency impact	29 660	54 375
Currency hedge	-973 100	26 377
Costs related to sale of loan portfolio	0	-3 579 481
Value change investments	2 998 774	1 242 826
Dividends investments	34 114	47 061
Total	**723 939**	**-4 736 063**

NOTE 6B. CREDIT QUALITY OF FINANCIAL ASSETS

Loans to customers	2023	2022
Loans to customers - Unsecured	0	16 264 939
Loans to customers - Secured with Cash collateral	165 932 504	92 940 259
Total loans to customers	**165 932 504**	**109 205 197**

The Partner loan portfolio consists of loans without collateral in customer assets, however the Partners are obliged to cover all credit losses. In addition the Partners have provided cash collateral of 31 MNOK.

Bank deposits	2023	2022
AA-	31 209 380	19 948 745
A+	788 670	1 510 861
A-		
A		
Deposit at owner Nordiska - Not rated	33 299 796	20 548 151
Total bank deposits	**65 297 847**	**42 007 757**

Total exposure for credit risk amount to 231 230 MNOK.

Notes (contd.)

NOTE 7. LENDING TO CUSTOMERS

	2023	2022
Loans to customers - Folkefinans		21 631 778
Loans to customers - Partner loans	165 932 504	92 940 259
Loan Loss Provisions		-5 366 839
Lending to the customers	**165 932 504**	**109 205 197**

The Partner loan portfolios consist of loans without collateral in customer assets. However if the loan is more than 90 days overdue the Partner is obliged to buy back the loan or alternatively cover the cost from selling the loan to a third party. If the Partner should default on its obligation to cover loan default costs, the Company has an additional security in unrestricted cash, amounting to 31 MNOK at 31 December 2023. An ECL without these credit enhancements is lower than the security held in cash, and consequently no loan loss provisions are made.

Recognised value of the company's gross lending to the customers, per currency in NOK:

	2023	2022
SEK		21 611 958
NOK	165 932 504	92 960 079
Gross lending to the customers	**165 932 504**	**114 572 037**

The change in the allowance for the impairment of the lending to the customers is as follows:	2023	2022
As at 1 January	**5 366 839**	**32 515 273**
Provision during the year	-1 145 063	9 375 627
Realized provision due to portfolio sales	-4 441 532	-37 070 810
Currency translations	219 756	546 749
As at 31 December	**0**	**5 366 839**

	2023	2022
Loan loss provision during the year	1 145 063	-9 375 627
Yearly loan loss	**1 145 063**	**-9 375 627**

Notes (contd.)

Change in Gross Loans in 2023	Stage 1	Stage 2	Stage 3	Total
Gross Loans 31.12.2022	**108 132 402**	**3 217 529**	**3 222 105**	**114 572 037**
Transfers				
Transfer from Stage 1 to Stage 2	(1 170 196)	398 585		
Transfer from Stage 1 to Stage 3				
Transfer from Stage 2 to Stage 3				
Transfer from Stage 3 to Stage 2				
Transfer from Stage 3 to Stage 1				
Transfer from Stage 2 to Stage 1				
Change due to new / increased loan	139 777 729	2 611 251		
Change due to reduced loan (downpayment, sold, written off)	(83 817 268)	(3 217 529)	(3 222 105)	
Gross Loans 31.12.2023	**162 922 668**	**3 009 837**	**0**	**165 932 504**

Change in Loss Reserve in 2023	Stage 1	Stage 2	Stage 3	Total
Loss allowance 31.12.2022	**2 535 289**	**809 315**	**2 022 235**	**5 366 839**
Transfers				
Transfer from Stage 1 to Stage 2				
Transfer from Stage 1 to Stage 3				
Transfer from Stage 2 to Stage 3				
Transfer from Stage 3 to Stage 2				
Transfer from Stage 3 to Stage 1				
Transfer from Stage 2 to Stage 1				
Change due to new / increased loan				
Change due to reduced loan (downpayment, sold, written off)	(2 535 289)	(809 315)	(2 022 235)	(5 366 839)
Loss allowance 31.12.2023	**0**	**0**	**0**	**0**

Risk Distribution of loan Portfolio 2023	PD Range	Stage 1	Stage 2	Stage 3	Total
Risk Group					
A	0% - 5%	62 449 087	473 041		62 922 128
B	5% - 10%	76 489 591	2 166 307		78 655 897
C	10% - 15%	20 265 101	228 266		20 493 367
D	15% - 30%	3 516 705	142 222		3 658 927
E	30% - 60%	202 184			202 184
F	60% - 100%				0
Total		**162 922 668**	**3 009 837**	**0**	**165 932 504**

Risk groups are defined by the current Probabillity of Default (PD) calculation for the loan. PD is determined by various factors like credit bureau score and historic payment behaviour of the customer. Nordiska FPN does not carry out collection activities on loans that have been written down.

Notes (contd.)

Change in Gross Loans in 2022	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross Loans 31.12.2021	**150 124 192**	**23 177 367**	**15 233 908**	**188 535 467**
Transfers				
Transfer from Stage 1 to Stage 2	(1 576 270)	1 250 059		(326 212)
Transfer from Stage 1 to Stage 3	(2 084 077)		1 792 698	(291 379)
Transfer from Stage 2 to Stage 3		(172 700)	144 243	(28 457)
Transfer from Stage 3 to Stage 2		56 607	(76 428)	(19 821)
Transfer from Stage 3 to Stage 1	286 254		(406 141)	(119 887)
Transfer from Stage 2 to Stage 1	97 980	(157 796)		(59 816)
Change due to new / increased loan	94 376 372	1 835 280	1 214 249	97 425 901
Change due to reduced loan (downpayment, sold, written off)	(133 092 049)	(22 771 288)	(14 680 424)	(170 543 761)
Gross Loans 31.12.2022	**108 132 402**	**3 217 529**	**3 222 105**	**114 572 037**

Change in Loss Reserve in 2022	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loss allowance 31.12.2021	**17 391 639**	**6 897 998**	**8 225 637**	**32 515 273**
Transfers				
Transfer from Stage 1 to Stage 2	(103 772)	604 200		500 428
Transfer from Stage 1 to Stage 3	(139 570)		1 124 344	984 773
Transfer from Stage 2 to Stage 3		(35 040)	89 431	54 391
Transfer from Stage 3 to Stage 2		29 179	(64 194)	(35 015)
Transfer from Stage 3 to Stage 1	47 307	-	(389 450)	(342 143)
Transfer from Stage 2 to Stage 1	17 536	(33 425)		(15 889)
				-
Change due to new / increased loan	451 543	138 547	751 605	1 341 695
Change due to reduced loan (downpayment, sold, written off)	(15 129 393)	(6 792 145)	(7 715 137)	(29 636 675)
Loss allowance 31.12.2022	**2 535 289**	**809 315**	**2 022 235**	**5 366 839**

Risk Distribution of loan Portfolio 2022	**PD Range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Risk Group					
A	0% - 5%	45 836 130	95 111	0	45 931 241
B	5% - 10%	28 586 423	939 288	0	29 525 712
C	10% - 15%	14 598 234	184 615	0	14 782 849
D	15% - 30%	16 854 248	324 355	0	17 178 603
E	30% - 60%	2 258 216	2 514	0	2 260 731
F	60% - 100%	0	1 671 646	3 221 255	4 892 901
Total		**108 133 252**	**3 217 529**	**3 221 255**	**114 572 037**

Notes (contd.)

NOTE 8. NET INTEREST INCOME

	2023	2022
Interest and similar income from loans to and receivables due from credit institutions	819 218	198 231
Interest and similar income on loans to and receivables due from customers	12 055 184	20 420 551
Interest income calculated using the effective interest method	12 874 402	20 618 782
Interest and other expenses on debt to credit institutions	-4 958 549	-3 432 282
Interest expenses on lease liabilities	-61 072	-178 960
Interest expenses	-5 019 621	-3 611 243
Net interest and credit comission income	**7 854 781**	**17 007 539**

NOTE 9. OTHER ASSETS

	2023	2022
Margin account - currency swaps	2 863 790	3 654 115
Other	161 246	
Total	**3 025 036**	**3 654 115**

NOTE 10. LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS

	2023	2022
Cash and bank deposits	65 297 847	42 007 757
Total	**65 297 847**	**42 007 757**

The cash and cash equivalents in the cash flow statement comprise the following:

	2023	2022
Cash and cash equivalents	65 297 847	42 007 757
Total	**65 297 847**	**42 007 757**

NOTE 11. SHARE CAPITAL AND SHARE PREMIUM

	No. of shares	Nominal share capital	Share premium	Total
Carrying amount 31.12.22	**19 224 646**	**96 123 230**	**79 262 471**	**175 385 701**
Carrying amount 31.12.23	**19 224 646**	**96 123 230**	**79 262 471**	**175 385 701**

As of 31 December 2023, the number of shares was 19 341 016 of which 116 370 are the company's own shares.

Notes (contd.)

NOTE 12. OTHER LIABILITIES

	2023	2022
Accounts payable	570 026	734 776
Customer overpayment loan portfolio	2 247 792	1 958 112
Liabilities to employees	85 444	55 278
Partner credit loss fund	31 822 549	17 372 333
Lease liabilities	365 921	2 011 768
Govt. charges and special taxes	-159 902	93 211
Accrued Govt. charges and special taxes	153 526	436 516
Accrued expenses	2 714 859	1 778 015
Salaries owed		1 495 122
Holiday pay due	294 832	428 360
Total Other liabilities	**38 095 047**	**26 363 492**

NOTE 13. LIABILITIES

	2023	2022
Liabilities to credit institutions	94 343 731	56 442 846
Derivatives	447 440	205 739
Subordinated loan	35 879 831	33 494 609
Total loans	**130 671 003**	**90 143 195**

Liabilities to credit institutions

The first Partner was launched in the Norwegian market in February 2022 with a second Partner being launched in July 2023. The Partner business is financed by a credit line from Nordiska. The credit line has an interest rate set to 3M Nibor +100 bps and is regulated quarterly.

The subordinated loan entered into in 2015 was refinanced in December 2021 by Nordiska FPN's owner, Nordiska, with corresponding loan terms and duration that satisfies the requirements for Tier II capital. The loan amounts to TSEK 34,803 and has an interest rate of 7% and a term of 6 years.

Notes (contd.)

The Company is exposed to interest rate changes on these loans based on the following reprising structure:

	2023	2022
6 months or less	94 791 171	56 648 585
6-12 months	0	0
1-5 years	35 879 831	33 494 609
More than 5 years		
No agreed maturity date		
Total loans	**130 671 003**	**90 143 195**

Carrying amount and fair value of loans:	2023	2022
Carrying amount		
Liabilities to credit institutions	94 343 731	56 442 846
Derivatives	447 440	205 739
Subordinated loan	35 879 831	33 494 609
Total carrying amount	**130 671 003**	**90 143 195**
Fair value		
Liabilities to credit institutions	94 343 731	56 442 846
Derivatives	447 440	205 739
Subordinated loan	35 879 831	33 494 609
Total fair value	**130 671 003**	**90 143 195**

The carrying amounts of the Company's loans in various currencies are as follows:

	2023	2022
NOK	94 343 731	56 442 846
EUR	-248 000	132 384
USD	-474 960	73 355
SEK	35 973 324	33 494 609

As of 31 December 2023	Undefined	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions		16 446 859	49 340 577	32 893 718		98 681 154
Other Liabillities	2 247 792	649 094	3 009 691			5 906 577
Derivatives		447 440				447 440
Lease Liabillities		87 400	278 521			365 921
Subordinated loan		627 897	1 883 691	45 716 885		48 228 473
Partner liabillity	31 822 549					31 822 549
SUM Liabilities	**34 070 342**	**18 258 690**	**54 512 480**	**78 610 603**	**0**	**185 452 115**

The Partner business is funded by a credit line from the owner Nordiska where the amortization of the funding matches the outstanding loan portfolio.

Notes (contd.)

As of 31 December 2022	Undefined	0-3 months	3-12 months	1-5 years	Over 5 years	Total
Liabilities to credit institutions		360 714	16 764 673	40 763 935		57 889 322
Other Liabillities		3 674 078	3 305 312			6 979 391
Derivatives		205 739				205 739
Lease Liabillities		365 295	1 095 884	550 589		2 011 768
Subordinated loan		586 156	1 758 467	42 677 715		45 022 337
Partner liabillity	17 372 333					17 372 333
SUM Liabilities	**17 372 333**	**5 191 982**	**22 924 336**	**83 992 239**	**0**	**129 480 890**

		Liabilities to credit institutions	Lease Liabillities	Subordinated loan	Total
	2022-12-31	**56 442 846**	**2 011 768**	**33 494 609**	**91 949 224**
	Amortisation	-40 028 443	-1 503 921		**-41 532 364**
Cash Flows	Principal increase	77 929 328			**77 929 328**
	Interest Payments	-2 555 164		-2 400 273	**-4 955 437**
	Interest cost	2 555 164	61 071	2 400 273	**5 016 508**
Non-cash changes	Principal increase		-338 135		**-338 135**
	FX adjustement		135 138	2 385 222	**2 520 360**
	2023-12-31	**94 343 731**	**365 921**	**35 879 831**	**130 589 484**

NOTE 14. PENSIONS AND SIMILAR LIABILITIES

	2023	2022
Costs charged to the statement of comprehensive income		
– Pension costs	417 756	1 271 312

In Norway, the minimum defined contribution pensions (compulsory company pensions) are paid as they become due. In Sweden and Norway the costs for agreed pension contribution plans are determined upon individual agreements between the Company and the individual employee.

NOTE 15. WAGES AND SALARIES

	2023	2022
Salaries	2 820 842	8 451 218
Employers' national insurance contributions	622 803	2 370 019
Pension costs – the year's provisions for defined contribution based pension schemes	417 756	1 271 312
Other benefits	31 956	98 154
Total wages and salaries	**3 893 358**	**12 190 703**
No. of employees (average during the year)	**3**	**14**

Notes (contd.)

NOTE 16. OTHER OPERATING EXPENSES

	2023	2022
External advisors/fees services	4 419 669	2 121 624
Office expenses	-	463 686
Operational expenses	1 439 058	3 122 180
Collection expenses	-	2 721
Administrative and other expenses	112 438	164 546
IT Cost	1 098 711	1 664 404
Sales and Marketing	174	447 651
Total other operating expenses	**7 070 050**	**7 986 812**

Fees to auditors and other related costs	2023	2022
Statutory audit		
- KPMG	1 835 579	1 007 550
Total	**1 835 579**	**1 007 550**

Fees include VAT.

NOTE 17. TAXES

Tax expense:	2023	2022
Taxes payable on foreign income	0	
Adjustments in respect of prior years	0	
Change in deferred tax	-2 576 612	-5 377 573
Deferred tax not recognized	2 576 612	5 377 573
Change in deferred tax due to change in tax rate		
Tax expense	0	0
Total tax including OCI	0	0

	2023	2022
Tax payable		
Advance tax payments		
Total tax payable	**0**	**0**

Notes (contd.)

Reconciliation of the tax expense:	**2023**	**2022**
Result before tax	-3 582 805	-21 221 061
Calculated tax - 25%	-895 701	-5 379 215
Permanent differences	1 548	1 642
Effects from changed tax rates	0	
Adjustments in respect of prior years	0	
Deferred tax not recognized	894 153	5 377 573
Tax payable on foreign income	0	
Tax	**0**	**0**
Tax in the statement of comprehensive income	**0**	**0**
Tax expense in the income statement	0	0
Tax expense	**0**	**0**

Deferred tax and deferred tax assets:	**2023**	**2022**
Deferred tax assets		
Defecit carried forward - Norway	184 694 617	184 978 924
Other temporary differences	12 665 325	8 804 406
Total temporary differences (deferred tax basis)	**197 359 942**	**193 783 330**
Temp diff not recognised as deferred tax	-197 359 942	-193 783 330
Deferred tax liability		
Tangible and Intangible assets	0	0
Deferred tax liability	**0**	**0**
Net deferred tax	**0**	**0**
Ordinary tax expense	0	0
Total tax expense	**0**	**0**
Taxes payable	0	0
Change in deferred tax	0	0
Total tax expense	**0**	**0**

Notes (contd.)

NOTE 18. COMMITMENTS

a) Guarantees and charges:

Nordiska FPN has no guarantees or charges in 2023.

b) Operating leases – liabilities where one of the company branches is the lessee

The future total minimum payments linked to non-terminable leases are as follows:

	2023	2022
Due date within 1 year	403 308	1 596 707
Due date between 1 and 5 years into the future	0	432 848
Due date more than 5 years into the future	0	0
Total future minimum lease payments	**403 308**	**2 029 555**

The future total minimum payments are not presented on a net present value

The Company's operating leases in Norway consist of premises- and support agreements. The most material future payments consist of office rental. The total minimum payments are gross figures (no deduction for deposits).

c) Off balance sheet exposure

One of the Partners launched a credit card product in 2023. As per Dec 31 2023 the off balance sheet exposure for Nordiska FPN related to this product was 5,4 MNOK.

NOTE 19. RELATED PARTIES

The Company has been involved in transactions with the following related parties:

Nordiska has not been involved in transactions with related parties during 2023.

Remuneration to senior employees

The senior employees comprise the management and directors. No remuneration are paid to the board members. The remuneration to senior employees is shown below (NOK 1000):

	2023	2022
Salaries and other short-term employee benefits	2 863	4 657
Pension benefits	257	1 351
Total	**3 120**	**6 008**

Notes (contd.)

Specification of remuneration to senior employees:

Name	2023 Salary and other short-term benefits	2023 Pension benefits	2022 Salary and other short-term benefits	2022 Pension benefits
Jens Schau-Hansen, CEO	1 712	153	1 806	244
Other Management	**1 151**	**104**	**2 851**	**1 107**
Mariko Ragnarsdottir, Head of Technology	-	-	43	-
Janne Kiiha CCO	-	-	1 752	174
Morten Opstad Eriksen, Finance & Risk Manager	1 151	104	1 056	933
Total	**2 863**	**257**	**4 657**	**1 351**

NOTE 20. CONTINGENT LIABILITY AND EVENTS AFTER THE END OF THE REPORTING PERIOD

The Company does not have any other contingent liabilities or events after the end of the reporting period which require adjustments or additional information in the Financial Statements.

NOTE 21. SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in the company as of 31 December 2023 consists of:

	No. of shares	Nominal value	Book value
Shares excluding Nordiska FPN's own shares	19 224 646	5	96 123 230
Total	**19 224 646**	**5**	**96 123 230**

All the shares have equal voting rights.

Ownership structure as of 31 December 2023		Share	Ownership share
NNAV 1 Holding AB	SE	19 224 646	99,4 %
Own shares, Nordiska Financial Partner Norway AS		116 370	0,6 %
Number of shares		**19 341 016**	**100%**

The share capital in the company as of 31 December 2022 consists of:

	No. of shares	Nominal value	Book value
Shares excluding Nordiska FPN's own shares	19 224 646	5	96 123 230
Total	**19 224 646**	**5**	**96 123 230**

All the shares have equal voting rights.

Ownership structure as of 31 December 2022		Share	Ownership share
NNAV 1 Holding AB	SE	19 224 646	99,4 %
Own shares, Nordiska Financial Partner Norway AS		116 370	0,6 %
Number of shares		**19 341 016**	**100%**

Notes (contd.)

NOTE 22. CAPITAL ADEQUACY

Capital adequacy 31 December (Group)

	2023	2022
Share capital	96 123 230	96 123 230
Other equity	-18 338 831	-38 539 878
Total Equity	**77 784 399**	**57 583 352**
- Value adjustement for prudent valuation	-8 514	-12 888
Common Equity (CET 1)	77 775 885	57 570 464
Additional Tier 1 capital	0	0
Tier 1 Capital	77 775 885	57 570 464
Tier 2 capital	28 275 508	33 091 060
Total Capital	**106 051 392**	**90 661 524**
Institutions	13 167 533	8 427 957
Corporates	99 628 473	57 590 303
Other commitments	20 978 177	39 124 205
Sum Credit Risk	133 774 183	105 142 465
Market Risk	0	8 564 269
Credit valuation adjustment	22 200	11 238
Operational Risk	52 325 300	95 953 257
Total Risk Weighted Assets	**186 121 683**	**209 671 229**
Common Equity (CET 1) %	**41,8%**	**27,5%**
Tier 1 Capital %	**41,8%**	**27,5%**
Total Capital %	**57,0%**	**43,2%**

CET 1 Available after meeting the total SREP own funds requirements is 22,2% (10,2)

Leverage Ratio

Leverage Ratio 31 December (Group)

	2023	2022
Other assets	247 103 126	165 588 115
Total Leverage Ratio exposure	**247 103 126**	**165 588 115**
Tier 1 Capital	77 775 885	57 570 464
Leverage Ratio	**31,5%**	**34,8%**

KPMG

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Nordiska Financial Partners Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Nordiska Financial Partners Norway AS (the Company), which comprise the statement of financial position as of 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 7 April 2022 for the accounting year 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

KPMG

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statement on Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 21 March 2024
KPMG AS

Svein A Lyngroth

Svein Arthur Lyngroth
State Authorised Public Accountant

Nordiska Financial Partner Norway AS.

Nordiska Financial Partner Norway AS
Org.no 990 892 040
nfp@nordiska.com

Dronning Eufemias gate 16
0191 Oslo, Norge