

This prospectus was approved by the Swedish Financial Supervisory Authority on 17 June 2019.



NORDNET AB (PUBL)

**Prospectus regarding the listing of SEK 500,000,000
Floating rate
Additional Tier 1 Capital Notes**

ISIN: SE0012350627

Bookrunner and Issuing Agent

Nordea

Important information

In this prospectus, the “**Issuer**” means Nordnet AB (publ), Swedish Corporate ID No. 559073-6681. The “**Group**” or “**Nordnet**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”). “**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*Aktiebolagslag (2005:551)*).

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

Notice to investors

The Issuer has issued a total of 250 Tier 1 Capital notes (the “**Notes**”) in the Total Nominal Amount of SEK 500,000,000 on 21 March 2019 (the “**Issue Date**”). This Prospectus has been prepared for the listing of the Notes on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

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

Solely for the purposes of the product governance requirements set forth in directive 2014/65/EU as amended (“**MIFID II**”), the target market assessment made by the Issuer for the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MIFID II; (ii) the negative target market for the Notes is clients that seek full capital protection or full repayment of the amount invested, are fully risk averse/have no risk tolerance or need a fully guaranteed income or fully predictable return profile, and (iii) all channels for distribution of the debentures to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the Issuer’s target market assessment. However, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Issuer’s target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be, and should thus not be, offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should conduct their own investigation and analysis of the Issuer and the data set forth in this Prospectus and investors are urged to take steps to ensure that they understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of their own objectives and circumstances before entering into any transaction (including the possible risks and benefits of entering into such transaction). Investors should also consider seeking advice from their own advisers in making this assessment.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or Nordnet’s business since the date of this Prospectus. With the exception of the Issuer’s consolidated financial statements for 2017 and 2018, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor. Financial data in this Prospectus that has not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

Forward-looking statements and market data

The Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out therein.

Factors that could cause the Issuer’s and Nordnet’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “Risk factors”. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and Nordnet or persons acting on the Issuer’s behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which Nordnet participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

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RISK FACTORS

All investments in notes involve a degree of risk. The financial performance of Nordnet and the risks associated with Nordnet's business are important when making a decision on whether to invest in the Notes. A number of factors influence and could influence Nordnet's operations and financial performance and ultimately the Issuer's ability to make payments under the Notes. In this section, a number of risk factors are illustrated and discussed, both risks pertaining to Nordnet's operations and risks related to the Notes as subordinated financial instruments. The risk factors below are not ranked in any specific order of importance and no claim is being made that the list is exhaustive.

Potential investors should carefully consider the risk factors below, the Terms and Conditions, this Prospectus, all other information in the investor documents and other available information before deciding on making an investment in the Notes. Investors must, in addition, alone or together with financial and/or other advisers, consider the general business prospects, and general information about the relevant market and companies active on that market, based on their personal circumstances. An investor should possess sufficient knowledge to assess the risk factors and sufficient financial strength to bear those risks.

Additional risk factors that are not currently known or not currently considered to be material may affect the Issuer's business, financial condition and results of operations and consequently the Issuer's ability to meet its obligations under the Notes.

Risks relating to the Issuer

General risks

Competition in the financial services industry

Nordnet operates in the savings and investments market and in the consumer lending market. The markets in which Nordnet operates are characterised by a high degree of competition and fragmentation and the strong demand growth in these markets for the products that Nordnet offers has led to increased competition. The demand for Nordnet's products is also dependent on the customers' forecasts for the future, market rates and other factors that have an influence on the customers' financial situation.

Since Nordnet's ability to gain profit is affected by existing customers' as well as new customers' incentive to save and attitudes to risk, various factors relating to the Nordic saving markets may generally lead to reduced savings and thus have a negative impact on the Issuer's business, financial condition and result of operations. Such factors are for example increased amortization requirements, rising interest rates, reduced securities trading and concerns about falling real-estate prices combined with an uncertain stock market.

Risk relating to the current macroeconomic environment

Nordnet's business is subject to inherent risks arising from general and sector-specific economic conditions. A deterioration in economic conditions globally and in the markets in which Nordnet operates, including, but not limited to business and consumer confidence, unemployment, household disposable income, the state of the housing market, counterparty risk, inflation, the availability and cost of credit, the liquidity of global financial markets, market share prices, or market interest rates may reduce the level of demand for the products and services of Nordnet. This may adversely affect the earnings Nordnet can achieve on its products and services and lead to reduced volumes of credit issued, reduced net interest income, reduced revenue and increased levels of impairment charges. Also, confidence in financial markets in general, and financial instruments in particular, may alter risk preference for investments due to reduced activity and income for brokerage. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates, for example, as a result of the United Kingdom leaving the European Union in 2019. The aforementioned factors may adversely impact the Issuer's business, financial condition and result of operations.

Credit risks and risk relating to counterparties

Credit risk is the risk of Nordnet not receiving payment as agreed and/or making a loss due to a counterparty's inability to fulfil its obligations, and where any security does not cover Nordnet's receivables. Nordnet's credit risk mainly involves the granting of credits against security in quoted shares and mutual funds, granting of unsecured credits and residential mortgages. The granting of unsecured credits and residential mortgages are

only offered in Sweden. Nordnet is also subject to counterparty risk through exposures towards banks, investments in bonds, reinsurance and through settlement risks.

The exposure towards credit risk means that Nordnet is also subject to credit related concentration risk, i.e. the risk relating to large exposures to a group of customers, a specific industry or geographical area.

Adverse changes in the credit quality of Nordnet's customers or other counterparties and/or any security provided could affect the recovery and value of the Nordnet's assets and require an increase in provisions made for bad and doubtful debts and other provisions and could consequently adversely affect the Issuer's business, financial condition and result of operations.

Risks associated with Netfonds Bank AS and Netfonds Livsforsikring AS

In April 2019, Nordnet acquired Netfonds Bank AS and Netfonds Livsforsikring AS. The acquisition is subject to risks and uncertainties concerning operations, assets, liabilities, claims, customer retention, and other aspects. It may also pose risks because of the difficulty in integrating operations, personnel, technology and information technology. If any of these risks materialize, this could result in an adverse effect on the Issuer's business, financial condition and result of operations.

Disputes and legal proceedings

Nordnet may be subject to legal proceedings, claims and disputes in jurisdictions where it is active. There is a risk that Nordnet will become involved in a dispute which could adversely affect Nordnet's business, financial condition and results of operations. There is further a risk that the results of any investigation, proceeding, litigation or arbitration brought by private parties, regulatory authorities or governments can be hard for Nordnet to predict. In addition, if an unfavourable decision were to be given against Nordnet, significant fines, damages and/or negative publicity can adversely affect the Issuer's business, financial condition and results of operations.

Operational risks

Operational risk

Nordnet is subject to operational risk, meaning the risk of losses due to inappropriate or failed processes, human error, faulty systems or external events. Besides all the risks that may be associated with human error and mistakes, typical examples of operational risks include computer failure, dependency on key individuals, fraud, inadequate compliance with legislation and internal regulations, or external events, such as fire, natural disasters, sabotage or changes in laws and regulations. To maintain good internal control of operational risks, well-functioning systems are required, as well as ongoing training of personnel. The principal responsibility for the management of operational risks lies with the individual departments and functions in the organization. Nordnet has operational risk management processes in place, but the processes can prove to be not adequate. Hence, there is a risk that issues related to operational risk will have an adverse effect on the Issuer's business, financial condition and results of operations.

Reliance on third parties

Some of Nordnet's business systems are dependent on third party software and infrastructure.

It can be difficult for Nordnet to replace these relationships on commercially reasonable terms and seeking alternate relationships could be time consuming and result in interruptions to Nordnet's business. Nordnet's use of business outsourcing partners also exposes Nordnet to reputational risks. The failure of Nordnet's third party providers to perform their services to Nordnet's standards and any deterioration in or loss of any key relationships can have an adverse effect on the Issuer's business, financial condition and results of operations.

Furthermore, Nordnet's business outsourcing partners and other third parties could fail to comply with applicable laws and regulations, or fail to otherwise provide their agreed services to Nordnet. To the extent these third parties violate laws, other regulatory requirements or their contractual obligations to Nordnet, or otherwise act inappropriately in the conduct of their business, Nordnet's business and reputation can be negatively affected or penalties could be directly imposed on Nordnet. Furthermore, there is a risk that Nordnet's methods and procedures for overseeing how outsourcing partners and other third parties operate their businesses may not detect the occurrence of any violations for a substantial period of time, which could exacerbate the effect of such violations. Any of the above can have an adverse effect on the Issuer's business, financial condition and results of operations.

Reputational risk

Reputational risk is the risk that an event or circumstance could adversely impact Nordnet's reputation among customers, owners, employees, authorities and other parties resulting in reduced income. This is primarily related to consumer expectations regarding the delivery of Nordnet's services, and the ability to meet regulatory and consumer protection obligations related to these services. Effects on Nordnet's reputation may originate from internal factors but also from external partners, suppliers, merchants or even competitors. Reputational risk can be substantially damaging to Nordnet's operations based on a well-established brand, and if such risk materialises it can adversely affect the Issuer's business, financial condition and results of operations.

Key employees

Nordnet is dependent upon a number of key employees whom have together developed the day-to-day operations and systems within Nordnet. Should such key personnel leave Nordnet or take up employment with a competing business, and not be adequately replaced with new qualified personnel, it could have a negative effect on the Issuer's business, financial condition and result of operations.

Information technology risk

Nordnet depends on the success and effectiveness of its business continuity planning, the uninterrupted and efficient operation of its information and communications systems, including its information technology (to manage critical business processes, including the running of its internet platform, as well as administrative functions), Nordnet's monitoring and protective measures and the successful change management of existing systems as well as development and implementation of new systems. However, losses could result from inadequate or failed internal control processes and protection systems, technical or human error, fraud, misuse or external events that interrupt normal business operations. This could result in a loss of data and a failure to provide quality service to customers.

If any of the above risks materialise, the interruption or failure of Nordnet's information technology and other systems could impair Nordnet's ability to provide its services effectively causing direct financial loss and may compromise Nordnet's strategic initiatives. Technology failure or underperformance could also increase Nordnet's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, a critical loss of any customer data would be expensive and time-consuming to endeavour to retrieve or recreate and would have an adverse effect on the Issuer's operations and financial situation.

Extensive downtime of information communication technology ("ICT") systems and services, infections by malicious code or malware, hacking attacks from external threat agents or other disruptions or failure of ICT systems are possible and could disrupt Nordnet's business, result in transaction errors, the disclosure of confidential information and/or create significant financial and/or legal exposure which may, in turn, damage the Issuer's brand and reputation. Any of the above can have an adverse effect on the Issuer's business, financial condition and results of operations.

Financial risks

Liquidity and funding risks

Liquidity risk refers to the risk that Nordnet would be unable to finance existing assets or meet its payment obligations, or only be able to do so at significant expense. Liquidity risk can be divided into two components. The first part is the risk of Nordnet having insufficient cash and cash equivalents to fund its operations, and the other part is the risk of being unable to convert investments into cash without significant expense increases.

Nordnet's assets mainly consist of cash and cash equivalents, loans to credit institutions and the general public and interest-bearing instruments. Deposits from Nordnet's customers is Nordnet's most important source of funding. The risks in the supply of liquidity consist primarily of the risk of Nordnet not attracting sufficient volume of deposits. The risk may arise in a situation where net withdrawals are larger than desired or when increased deposit volumes are desired in order to finance further lending and other payments. Increased net withdrawals may result from price competition or negative rumours about Nordnet, other banks or the financial system in general. A failure by Nordnet to attract a sufficient volume of deposits or to improve the liquidity situation through asset sales could have an adverse effect on the Issuer's business, financial condition and result of operations.

Market risks

Market risk derives from the risk that the fair value or future cash flow from a financial instrument is affected by changes in market prices. Nordnet is exposed to market risks in the form of interest rate risk, foreign exchange risk and share price risk, even though Nordnet's operations are built up around customer trading and the business model does not therefore include exposing Nordnet to market risks in its own name. Fluctuations in the debt, foreign exchange or equity markets may affect the market value and liquidity of Nordnet's assets. In addition, the occurrence of such events may have an adverse impact on the revenue generated from Nordnet's primary activities.

Interest rate risks occur when there is an imbalance regarding terms to maturity between the Nordnet's assets and liabilities and when there is an imbalance in changes in the value of assets. Nordnet gives credit at flexible interest rates, and this credit is financed by deposits at flexible interest rates. A deterioration of Nordnet's net interest due to an unfavourable change in the market could have an adverse effect on the Issuer's financial position and results of operations. Nordnet is also exposed to the risk that the fair value of instruments in the liquidity portfolio is affected due to changes in credit spreads.

Foreign exchange risk refers to the risk that exchange-rate changes negatively impact the consolidated income statement, balance sheet and/or cash flows. Foreign exchange risks occur when assets and liabilities in the same foreign currency fail to match in terms of size because of changes in foreign exchange rates. Nordnet is exposed to foreign exchange rate risk mainly from Euro (EUR), Danish Krone (DKK), Norwegian Krone (NOK) and U.S. dollar (USD). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. This means that Nordnet is exposed to exchange rate differences. Adverse exchange rate movements could have an adverse effect on the Issuer's business, financial condition and result of operations.

Systemic risk

Due to the high level of interdependence between financial institutions, Nordnet and the Issuer are subject to the risk of deterioration of the actual or perceived commercial and financial soundness of other financial institutions and a default or financial difficulties of one financial institution may have negative consequences for other financial institutions and may lead to liquidity problems, losses, defaults or worsening of general economic climate in the markets in which Nordnet and the Issuer operate. Any of the above can have an adverse effect on the Issuer's business, financial condition and results of operations.

Insurance risk

Nordnet is subject to insurance risk, meaning the risk of a change in value due to the difference between actual and expected insurance claims costs, that is, actual outcomes differing from expected outcomes, for example, life expectancy, mortality, morbidity or injury rate. Premium and fee levels in Nordnet are based on product calculations and are reviewed each year. There is a risk that the calculations and reviews are inadequate and a change in value due to the factors above could result in an adverse effect on the Issuer's business, financial condition and results of operations.

Regulatory risks

General compliance risk

Nordnet's operations are subject to legislation, regulations, codes of conduct and government policies in the jurisdictions in which it conducts business (i.e. in Sweden, Norway, Finland and Denmark) and in relation to the products it markets and sells. Regulatory authorities have broad jurisdiction over many aspects of Nordnet's business, marketing and selling practices, advertising and terms of business. Three of the Issuer's subsidiaries – Nordnet Bank, Nordnet Pension and Nordnet Livsforsikring – conduct heavily regulated activities and are under the supervision of the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "Swedish FSA") or the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the "Norwegian FSA"), as applicable. For instance, being a Swedish bank, insurance intermediary and investment firm, Nordnet Bank and Nordnet Consolidated Situation are subject to supervision by the Swedish FSA with regard to, among other things, solvency and capital adequacy, including solvency ratios and liquidity ratios as well as rules on internal governance and control.

As a result of conducting consumer operations on a cross-border basis in various countries, consumer agencies and councils in these countries have jurisdiction over many aspects of Nordnet's business, including marketing and selling practices, advertising, general terms of business and legal debt collection operations. Nordnet is also subject to EU regulations with direct applicability and EU directives that are implemented through local legislation. Failure to comply with applicable laws and regulations can subject Nordnet to monetary fines and other penalties, which can have an adverse effect on Nordnet's reputation, business, financial condition and result of operations. Ultimately, the licenced Nordnet entities' licences can be revoked and such entities may be required to discontinue all regulated business operations.

Many initiatives for regulatory changes have been taken in the past and the impact of such initiatives is difficult to predict. Therefore, for example, financial services laws, capital, liquidity and solvency laws, marketing laws, securities laws, consumer protection laws, data protection laws, laws related to deposits (including the Swedish deposit insurance scheme), the laws related to enforcement, laws and regulations related to or affecting interest, laws and regulations on internal governance and control, laws and regulations of remuneration, codes of conduct, government policies and general recommendations, and their respective interpretations currently affecting Nordnet can change, and Nordnet is unable to predict what regulatory changes can be imposed in the future as a result of regulatory initiatives in the EU, by the Swedish FSA, the Norwegian FSA, the European Banking Authority (the "EBA"), the European Securities Market Authority, the European Insurance and Occupational Pension Authority (the "EIOPA"), or by other authorities and agencies. Such changes can have an adverse effect on Nordnet's profitability, solvency and capital requirements, and can give rise to increased costs of compliance. Failure of Nordnet to effectively manage these legal and regulatory risk can have an adverse effect on the Issuer's business, financial condition and result of operations.

Risks relating to Nordnet Bank's banking licence

The Swedish Banking and Financing Business Act (*lagen (2004:297) om bank- och finansieringsrörelse*) (the "BFBA") requires all Swedish banking companies to operate under a licence granted by the Swedish FSA. Nordnet Bank's banking licence has an indefinite duration, but is subject to revocation by the Swedish FSA. Pursuant to the BFBA, the Swedish FSA must intervene if Nordnet Bank violates its obligations under the BFBA, other regulations governing its business, its articles of association or other policy documents issued pursuant to provisions governing Nordnet Bank's operations as a bank. The Swedish FSA may then issue an order to limit or reduce the risks of the operations in some respect, restrict or prohibit payment of dividends or interest or take other measures to rectify the situation, issue injunctions or remarks. In case of material violations, the Swedish FSA can, as an ultimate measure, revoke Nordnet Bank's banking licence, following which the Swedish FSA may determine the manner in which the business will be wound up. A decision regarding revocation of licence can be combined with an injunction against continuing the operations. If deemed sufficient, taking into consideration, among other things, the nature, gravity, duration and potential effects on the financial system of the violation, the Swedish FSA can, instead of revoking Nordnet Bank's banking licence, issue a warning. Remarks and warnings may be combined with monetary fines (the highest of EUR 5 million, ten per cent of the company's or the group's annual turnover, or two times the cost avoided or profit realized from the violation, where such amount can be ascertained). If Nordnet Bank were 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 Nordnet and, as a result, Nordnet's business, financial position and results of operations can be adversely affected. Nordnet's operations are contingent upon the banking licence issued to Nordnet Bank by the Swedish FSA. The loss or suspension of the licence will require Nordnet Bank to cease its banking operations which could have an adverse effect on the Issuer's business, financial condition and result of operations.

Risks relating to Nordnet Bank's investment business licence

The Swedish Securities Market Act (*lagen (2007:528) om värdepappersmarknaden*) (the "SMA") requires all Swedish investment firms to operate under a licence granted by the Swedish FSA. Nordnet Bank's licence to provide investment services has an indefinite duration, but is subject to revocation by the Swedish FSA. Pursuant to the SMA, the Swedish FSA must intervene if Nordnet Bank violates its obligations under the SMA, other regulations governing its business, its articles of association or other policy documents issued pursuant to provisions governing Nordnet Bank's operations as an investment firm. The Swedish FSA may then issue an order to limit or reduce the risks of the operations in some respect, restrict or prohibit payment of dividends or interest or take other measures to rectify the situation, issue injunctions or remarks. In case of material violations, the Swedish FSA can, as an ultimate measure, revoke Nordnet Bank's licence to provide investment services, following which the Swedish FSA may determine the manner in which the business will be wound up.

A decision regarding revocation of licence can be combined with an injunction against continuing the operations. If deemed sufficient, taking into consideration, among other things, the nature, gravity, duration and potential effects on the financial system of the violation, the Swedish FSA can, instead of revoking Nordnet Bank's licence, issue a warning. Remarks and warnings may be combined with monetary fines (the highest of EUR 5 million, ten per cent of the company's or the group's annual turnover, or two times the cost avoided or profit realized from the violation, where such amount can be ascertained). If Nordnet Bank were 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 Nordnet and, as a result, Nordnet's business, financial position and results of operations can be adversely affected. Nordnet's operations are contingent upon Nordnet Bank's licence to provide investment services issued by the Swedish FSA. The loss or suspension of the licence will require Nordnet Bank to cease its investment business under the SMA which could have an adverse effect on the Issuer's business, financial condition and result of operations.

Risks relating to Nordnet Pension's insurance licence

The Swedish Insurance Business Act (*försäkringsrörelselagen (2010:2043)*) (the "IBA") stipulates that insurance business may only be conducted pursuant to a licence granted by the Swedish FSA. Nordnet Pension's insurance licence has an indefinite duration, but is subject to revocation by the Swedish FSA. Pursuant to the IBA, the Swedish FSA must intervene if Nordnet Pension violates its obligations under the IBA, other regulations governing its business, its articles of association or bylaws, technical guidelines, guidelines for technical provisions, guidelines for the handling of conflicts of interest, or other policy documents issued pursuant to provisions governing Nordnet Pension's business. The Swedish FSA may then for example order Nordnet Pension to rectify within a specified period of time, prohibit its execution of decisions or issue a remark. The Swedish FSA may also under some circumstances restrict Nordnet Pension's right of disposition or prohibit it from disposing of its assets in Sweden. If a violation is severe, Nordnet Pension's licence will be revoked or, if deemed adequate, a warning will be issued by the Swedish FSA. If the licence is revoked, the Swedish FSA may determine the manner in which the business will be wound up. The Swedish FSA may combine any order or prohibition with a conditional fine and if it issues a remark or a warning, the Swedish FSA may also issue a financial penalty of up to SEK 50 million (and not more than ten per cent of the annual turnover for the previous year). If Nordnet Pension were 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 Nordnet and, as a result, Nordnet's business, financial position and results of operations can be adversely affected. Nordnet's operations are contingent upon the insurance licence issued to Nordnet Pension by the Swedish FSA. The loss or suspension of the licence will require Nordnet Pension to cease its insurance operations, which could have an adverse effect on the Issuer's business, financial condition and result of operations.

Risks relating to Nordnet Livsforsikring's insurance licence

The Norwegian Financial Institutions Act (*finansforetaksloven*) (the "FIA") and the Norwegian Insurance Act (*forsikringsvirksomhetsloven*) (the "IA"), stipulate that insurance business may only be conducted pursuant to a licence granted by the Norwegian FSA. Nordnet Livsforsikring's insurance licence has an indefinite duration, but is subject to revocation by the Norwegian FSA. Pursuant to the FIA and IA, the Norwegian FSA must intervene if Nordnet Livsforsikring violates its obligations under the FIA and IA, other regulations governing its business, its articles of association or bylaws, technical guidelines, guidelines for technical provisions, guidelines for the handling of conflicts of interest, or other policy documents issued pursuant to provisions governing Nordnet Livsforsikring's business. The Norwegian FSA may then, for example, order Nordnet Livsforsikring to rectify the violation within a specified period of time, prohibit its execution of decisions or issue a remark. The Norwegian FSA may also under some circumstances restrict Nordnet Livsforsikring's right of disposition or prohibit it from disposing of its assets in Norway. If a violation is severe, Nordnet Livsforsikring's licence will be revoked or, if deemed adequate, a warning will be issued by the Norwegian FSA. If the licence is revoked, the Norwegian FSA may determine the manner in which the business will be wound up. If Nordnet Livsforsikring were subject to remarks or warnings by the Norwegian FSA this would cause significant, and potentially irreparable, damage to the reputation of Nordnet and, as a result, Nordnet's business, financial position and results of operations could be adversely affected. Nordnet's operations are contingent upon the insurance licence issued to Nordnet Livsforsikring by the Norwegian FSA. The loss or suspension of the licence will require Nordnet Livsforsikring to cease its insurance operations, which could have an adverse effect on the Issuer's business, financial condition and result of operations.

Regulatory capital requirements

Nordnet Bank, Nordnet Consolidated Situation, Nordnet Pension, Nordnet Livsforsikring and Nordnet's insurance group are subject to capital adequacy regulations, which aim to put in place a comprehensive and risksensitive legal framework and to ensure enhanced risk management among financial institutions and insurance companies. Recent regulations which have impacted Nordnet and are expected to continue to impact Nordnet include, among others, the Basel III framework, the EU Capital Requirements Directive 2013/36/EU ("CRD IV"), the EU Capital Requirements Regulation (EU) No. 575/2013 ("CRR"), as well as the Solvency 2 Directive 2009/138/EC and the Solvency 2 Regulation (EU) 2015/35 (collectively, "S2").

Nordnet must at all times meet the capital requirements, and CRD IV, CRR, and S2 have imposed significant changes for financial institutions and insurance companies in terms of minimum capital requirements and capital buffers. CRR, CRD IV, and S2 are supported by a set of binding technical standards developed by the EBA and the EIOPA, respectively. The regulatory framework will continue to evolve and any changes could have a material impact on Nordnet's business.

As part of its efforts on strengthening and deepening the Banking Union, the EU Commission presented a package of legislative proposals in November 2016 to implement, *inter alia*, the reforms agreed at international level following the 2007-08 financial crisis, generally referred to as the "Banking Package". The Banking Package's main objective is to reduce risk in the EU banking industry, which is considered by Member States a prerequisite for further integration with respect to risk sharing under the Banking Union's third pillar. The Banking Package comprises amendments to, *inter alia*, CRD IV, CRR and BRRD (as defined below). The amendments have been adopted by the European Parliament and Council in April 2019 and will now be progressively implemented in the Member States. It is anticipated they will entail substantial changes to the capital and liquidity requirements for banks.

In December 2017, the Basel Committee published complements to the Basel III Framework in order to complete it. The complements, often called Basel IV, entail substantial changes and are proposed to enter into force 1 January 2022 with a phasing-in period of five years. The proposed changes will need to be implemented at EU level in order for them to become applicable for Sweden.

The Swedish FSA has decided to amend its regulation in relation to countercyclical capital buffers (FFFS 2014:33) so that the countercyclical capital buffer will be increased to 2.5 per cent on 19 September 2019. Such an increase and any other changes may cause reductions in the capital adequacy ratios and solvency levels of Nordnet and/or cause the applicable minimum capital requirements to increase.

The capital requirements mentioned above could force Nordnet to issue additional capital and such additional capital may be unavailable to Nordnet in the future or unavailable at an attractive rate or within the timeframe necessary in order to ensure compliance with such requirements. Furthermore, the conditions of Nordnet's business as well as external conditions are constantly changing. Nordnet and/or its consolidated situation or insurance group can be required to raise regulatory capital in addition to the already existing and such changes could result in Nordnet's existing regulatory capital ceasing to count either at the same level as present or at all. Any failure by Nordnet to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators can result in intervention by regulators or the imposition of sanctions, which can have an adverse effect on Nordnet's profitability and results and can also have other effects on Nordnet's financial performance and on the pricing of Notes, both with or without the intervention by regulators or the imposition of sanctions. Any market perception or concern regarding compliance with future capital adequacy requirements, can increase Nordnet's borrowing costs and limit its access to capital markets, which can have an adverse effect on the Issuer's business, financial condition and result of operations.

The Recovery and Resolution Directive

To complement the CRR/CRD IV legislative package, the EU Directive 2014/59/EU, known as the Bank Recovery and Resolution Directive ("BRRD") was adopted. The BRRD 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 may be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial position. National resolution authorities (the National Debt Office (*Riksgälden*) for Sweden), in consultation with competent authorities (the Swedish FSA for Sweden), are required to prepare resolution plans setting out how a firm, if it were to fail might be resolved in an orderly fashion and its essential functions preserved. This includes the potential application of the resolution tools and powers referred to below as well as options for ensuring the continuity of critical functions.

The BRRD has been implemented into Swedish law by the Resolutions Act (*lagen (2015:1016) om resolution*) and the Precautionary Support Act (*lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*) both of which entered into force on 1 February 2016. The National Debt Office has been appointed as resolution authority and has been given certain powers which can be categorised into preventive powers, early intervention powers and resolution powers. Ultimately, the authority may take control of a failing firm and, for example, transfer the firm 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 primary objective of the BRRD and the Resolutions Act is to maintain financial stability. Nordnet is covered by the regime and may potentially be subject to resolution actions. A prerequisite for initiating resolution actions is, however, that it is deemed necessary and proportionate in order to achieve the resolution objectives, such as systemic stability concerns. The BRRD and the Resolutions Act also provide that shares and other tier 1 and tier 2 capital instruments may be written-down/converted independently of resolution and, accordingly, these actions may be taken even if the criteria for initiating resolution action are not satisfied.

The BRRD contains a number of resolution tools and powers intended to ensure that resolution authorities across the EU have a harmonised toolkit to manage firms' failure provided that the resolution conditions are satisfied. The National Debt Office will only be permitted to use resolution powers and tools in relation to a firm if it determines that all the conditions for resolution are satisfied. These conditions are (a) the determination (which in Sweden will be determined by the Swedish FSA) that the institution is failing or likely to fail (the "**failure condition**"); (b) there is no reasonable prospect that any solution, other than a resolution action taken in respect of the firm, would prevent the failure of the firm within a reasonable timeframe (the "**no alternative condition**"); and (c) intervention through resolution action is necessary in the public interest (the "**public interest condition**").

The powers set out in the BRRD will impact how firms are managed as well as, in certain circumstances, the rights of creditors. Holders of debt instruments (such as the Notes) may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. The general bail-in tool can be used to recapitalise a firm that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The write-down and conversion power can be used either together with, or also, independently of, a resolution action. Other powers provided to resolution authorities under the BRRD in respect of debt instruments (which could include the Notes) include replacing or substituting the firm as obligor in respect of such debt instruments; modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or discontinuing the admission to trading of debt instruments. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, adversely affect the rights of the Noteholders, the price or value of Notes and/or the ability of Nordnet to satisfy its obligations under the Notes.

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all in-scope firms 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 firm must meet an individual minimum requirement for eligible liabilities ("**MREL**") requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities (the National Debt Office for Sweden) on a case by case basis. The MREL requirement applies to all EU credit institutions (and certain investment firms), not just to those identified as being of a particular size or of systemic importance.

On 23 February 2017, the National Debt Office presented the finalised model for the calculation of MREL, stating that systemically important institutions need to replace a portion of their existing bond holdings with subordinated bonds. However, the National Debt Office announced on 19 December 2018 that Nordnet Bank is not a systemically important institution. For institutions which are not so deemed, the MREL requirements will remain at the level of the institution's applicable capital requirements.

As noted above, the Banking Package (as referred to in the risk factor "Regulatory capital requirements" above) comprises amendments to, inter alia, BRRD and are adopted by the European Parliament and Council in April 2019.

It is not possible to predict exactly how the powers and tools of the National Debt Office described in the BRRD and the Resolutions Act will affect Nordnet. Accordingly, it is not possible to assess the full impact of the BRRD and the Resolutions Act on Nordnet. The powers and tools given to the National Debt Office are numerous and may have a substantial effect on Nordnet.

Loss absorption at the point of non-viability of Nordnet Bank

There is a 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 National Debt Office and the Swedish FSA). As noted above, the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (including the Notes) fully absorb losses at the point of non-viability of the issuing firm in order to allow it to continue as a going concern subject to appropriate restructuring. As a result, the BRRD contemplates that resolution authorities may require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into common equity tier 1 instruments at the point of non-viability (which CET1 instruments may also be subject to any application of the general bail-in tool described above) and before any other bail-in or resolution tool can be used. Measures ultimately adopted in this area may apply to any debt currently in issue, including the Notes.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which one or more of the following circumstances apply: (a) the determination has been made by the relevant authority that the conditions for resolution (i.e. the “failure condition”, the “no alternative condition” and the “public interest condition” described above under the risk factor “The Recovery and Resolution Directive”) have been met, before any resolution action is taken; (b) the relevant authority determines that unless the write-down/conversion power is exercised in relation to the relevant capital instruments, the firm “will no longer be viable” (as described in Article 59(4) of the BRRD) and/or (c) extraordinary public financial support is required by the firm.

The application of any non-viability loss absorption measure may result in holders of Notes 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 holders of Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside Nordnet’s control. Any such exercise, or any suggestion that the Notes could become subject to such exercise, could, therefore, adversely affect the value of the Notes.

Changes to the Swedish Deposit Insurance Scheme

The Swedish Deposit Insurance Scheme (“**SDIS**”) guarantees the depositors’ deposits in the event Nordnet Bank is declared bankrupt or if the Swedish FSA determines that the SDIS should be activated in a given situation. The SDIS is administered by the Swedish National Debt Office. If activated, the insurance guarantees each customer compensation amounting to the value of the total funds in his or her account(s) with Nordnet Bank, plus accrued interest, until the time of bankruptcy or the Swedish FSA’s activation decision. The maximum compensation is an amount of SEK 950,000. There is a risk that regulatory changes which decrease the maximum compensation amount or change the SDIS are implemented, which could have a negative effect on the amount of customer savings deposit currently held with Nordnet Bank. This could have a negative effect on Nordnet’s business, financial condition and result of operations.

Changes in accounting standards

In addition to the anticipated legislative changes mentioned above, a number of legislations and regulations, taxes and rules can affect the business conducted by Nordnet. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect earnings, which could have an adverse effect on Nordnet’s business and results of business operations.

From time to time, the International Accounting Standards Board (“**IASB**”), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of Nordnet’s financial statements. These changes can be difficult to predict and can impact how Nordnet records and reports its business, financial condition and result of operations.

For instance, IFRS 17, which may be implemented from 2022 onwards, is likely to introduce additional requirements for insurance companies in terms of minimum capital requirements, supervisory review of insurance companies’ assessment of risk and enhanced disclosure requirements. All these may affect Nordnet’s insurance business and associated earnings.

In July 2014, the IASB issued a new accounting standard, International Financial Reporting Standard 9 (*Financial Instruments*) (“**IFRS 9**”), which became effective from 1 January 2018 and replaced IAS 39. IFRS 9

provides principles for classification of financial instruments, and provisioning for expected credit losses which are mandatory, and therefore fully implemented by Nordnet, as of 1 January 2018.

Furthermore, IFRS 9 provides a new general hedge accounting model which is not yet mandatory, which is why it is currently not possible to determine the extent of the impact that the implementation of the hedge accounting model will have on CET 1 capital as the new rules for the transition, and its impact on capital ratios, are not yet final. As a consequence of the new general hedge accounting model under IFRS 9, and the uncertainty regarding its implementation, Nordnet may need to obtain additional capital in the future and may not be able to obtain new equity capital or debt financing qualifying as regulatory capital on attractive terms, or at all. Any such developments could have a material adverse effect on the Isuser's business, financial condition and results of operations.

Changes in tax legislation

Nordnet's business and transactions are conducted in accordance with the Nordnet's interpretation of applicable laws, tax treaties, regulations, case law and requirements of the tax authorities. There can be no assurances that its interpretation of applicable laws, tax treaties, regulations, case law or other rules or administrative practice is correct, or that such rules or practice will not change, possibly with retroactive effect. For example, on 7 November 2016, a government committee presented its report "*Tax on financial services*" to the government. The committee was appointed under the assumption that the financial services sector, in comparison to other sectors, has a tax advantage due to financial services being exempt from VAT. The committee proposed that a financial activity tax of 15 per cent be introduced, designed as a form of additional salary tax. However, the proposal has been heavily criticised during the consultation for comments, mainly for being too broad in its scope. On 24 February 2017, the government therefore announced that it will withdraw the proposal but begin drafting a new tax proposal that will be more narrowly directed at banks. It is currently not possible to predict if or when a new proposal will be presented or what it will look like. Nordnet's tax situation both for previous, current and future years may change as a result of legislative changes such as the one mentioned, decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities. Such decisions or changes, potentially with retroactive effect, could adversely affect Nordnet's business, financial condition and result of operations.

Insurance Distribution Directive

Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (the "**IDD**") regulates the way insurance products may be designed and sold both by insurance intermediaries and directly by insurance undertakings, hence applicable both to Nordnet Bank (as intermediary) and Nordnet Pension (as insurance undertaking). It is anticipated that corresponding legislation will be adopted in Norway, applicable to Nordnet Livsforsikring. The IDD lays down the information that should be provided to customers before the signing of an insurance contract; it imposes extensive conduct of business and transparency rules on distributors; it clarifies procedures and rules for cross-border business and it contains rules for the supervision and sanctioning of insurance distributors in case of breach of the provisions of the directive.

The rules apply to the sale of all insurance products, but stipulates more prescriptive rules to those distributors that sell insurance products that have an investment element such as unit-linked life insurance contracts. As the new legislation on insurance distribution (formerly insurance mediation) affects not only insurance mediators but also insurance undertakings, this leads to new requirements for Nordnet Pension as it now needs to ensure that its policies and procedures are compliant also with the IDD. Failure to comply with the IDD exposes the distributor, and where applicable its members of management, to sanctions in the form of monetary fines, an order to cease the conduct and a withdrawal of registration which could adversely affect Nordnet's business, financial condition and result of operations.

EU General Data Protection Regulation

The EU's general data protection regulation 2016/679/EU (the "**GDPR**") has been applicable since 25 May 2018. The main objectives of the GDPR are to harmonise EU laws on personal data and facilitate the flows of data across EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU.

The GDPR includes extensive requirements for processing of personal data. These relatively new requirements may create challenges for Nordnet, as it needs to ensure that its policies and procedures are compliant with the GDPR. Failure to comply with the GDPR could expose Nordnet to substantial monetary fines which could have an adverse effect on its business, financial condition and result of operations. Failure to comply with the GDPR could adversely impact Nordnet's reputation among customers, owners, employees, authorities and other parties

resulting in reduced income and as a result, the Issuer's business, financial position and results of operations could be adversely affected.

Anti-money laundering

Nordnet's business is subject to a regulatory framework which requires Nordnet to take actions in order to counteract money laundering and terrorist financing. In order to comply with the framework all concerned companies need to establish substantial procedures, internal control functions and guidelines to counteract money laundering and terrorist financing, which can entail additional costs for Nordnet.

Failure to comply with the requirements could result in legal implications. If Nordnet would become subject to sanctions, remarks or warnings and/or fines imposed by the Swedish FSA, this could cause significant, and potentially irreparable, damage to the reputation of Nordnet and, as a result, the Issuer's business, financial position and results of operations could be adversely affected.

Risks related to the Notes

The Issuer's obligations under the Notes are deeply subordinated

The Notes constitute unsecured, deeply subordinated obligations of the Issuer. 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 the Notes (which in the case of any payment of principal shall be to payment of the then Nominal Amount only) shall rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations 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 holders of all classes of the Issuer's shares in their capacity as such holders and any other obligations 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 (b) above, any subordinated creditors, including for the avoidance of doubt holders of notes which constitute Tier 2 Capital and (iv) falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*), any senior non-preferred creditors.

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, the Issuer may not have enough assets remaining after these payments to pay amounts due under 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 his investment in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer.

Please also refer to the risk factors "*The Recovery and Resolution Directive*" and "*Loss absorption at the point of non-viability of Nordnet Bank*" above.

The Issuer is not (and nor is any other Nordnet 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 Nordnet group, may issue or incur that ranks senior to, or *pari passu* with, the Notes. The incurrence of any such debt may reduce the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or

bankruptcy of the Issuer, may limit the ability of the Issuer to meet its obligations in respect of the Notes and could result in Noteholders losing all or some of their investment in the Notes. In addition, the Notes do not contain any restriction on the Issuer issuing securities ranking *pari passu* with the Notes and having similar or preferential terms to the Notes.

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

The Notes shall constitute so called additional tier 1 capital of the Issuer. 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.

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.

Call options are subject to the prior consent of the Swedish FSA

The Issuer has the option to, at its own discretion, redeem the Notes five years after they have been issued on the First Call Date or on any Interest Payment Date falling after the First Call Date. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA.

The Notes, however, have no fixed final redemption date and the Noteholders have no rights to call for the redemption of the Notes, and the Noteholders should not invest in the Notes with the expectation that such a call will be exercised by the Issuer. The Swedish FSA must 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 a risk that the Swedish FSA will not permit such a call or that the Issuer will not exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

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 Banking Regulations; or (ii) will be mandatorily cancelled to the extent so required by the Applicable Banking 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 (including, without limitation, 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.

In circumstances where the Capital Buffers Act (*lag (2014:966) om kapitalbuffertar*) implementing Article 141 of the CRD IV Directive (or, as the case may be, any other provision of Swedish law transposing or implementing such Article) applies, no payments will be made on the Notes (whether by way of principal, Interest, or otherwise) if and to the extent that such payment would cause the maximum distributable amount (if any), determined in accordance with the Capital Buffers Act (or, as the case may be, any other provision of Swedish law transposing or implementing such Article) then applicable to the Issuer to be exceeded.

Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have “accrued” or been earned for any purpose.

Loss Absorption following a Trigger Event

If at any time the CET1 ratio has fallen below 7.00 per cent of Nordnet Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be reduced (in whole or in part, and in each case as determined by the Issuer) by an amount sufficient to restore the CET1 ratio of Nordnet Consolidated Situation to at least 7.00 per cent (except that, for technical reasons, the Nominal Amount of each Note may not be reduced below SEK 1). Following any such reduction of the Total Nominal Amount, the Issuer may, at its 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 be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require approval at a shareholders’ meeting of the Issuer).

The Issuer and/or the Swedish FSA may determine that a Trigger Event has occurred on more than one occasion and the then Nominal Amount of each Note may be reduced 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 the then Nominal Amount of the Notes.

The Issuer’s and/or the Swedish FSA’s calculation of the CET1 ratio of Nordnet 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 Nordnet Consolidated Situation.

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 Nordnet Bank as an unconditional shareholders’ contribution. Nordnet’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 Nordnet group will guarantee or provide any security for the Issuer’s obligations under Notes.

Notes obligations of the Issuer only

The Notes will be obligations solely of the Issuer and will not be the responsibility of, or guaranteed by, any other person, and no person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

Certain material interests

Nordea Bank Abp, which is the arranger of the Notes issuance has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for Nordnet in the ordinary course of business. For example, Nordea Bank Abp is the lending bank under Nordnet’s secured credit facility. Accordingly, conflicts of interest may exist or may arise as a result of parties having previously engaged or in the future engaging in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Interest rate risk

The value of the Notes is dependent on several factors, one of the most significant over time being the level of market interest rates. Investments in the Notes involve a risk that the interest decreases as market interest rates decrease.

Noteholder representation and majority decisions by the Noteholders

Under the Terms and Conditions, the Agent represents each Noteholder in all matters relating to the Notes. The Terms and Conditions contain provisions to the effect that a Noteholder is prohibited from taking actions on its own against the Issuer. To enable the Agent to represent the Noteholders in court, the Noteholders can submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of

attorney can negatively impact the enforcement options available to the Agent on behalf of the Noteholders. Further, under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders without first obtaining the prior consent of the Noteholders.

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

Credit risks

If Nordnet's financial position deteriorates it is likely that the credit risk associated with the Notes will increase as there would be an increased risk that the Issuer cannot fulfil its obligations under the Terms and Conditions. Nordnet's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk can result in the market pricing the Notes with a higher risk premium, which can adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position can result in a lower credit worthiness, which can affect the Issuer's ability to refinance the Notes and other existing debt, which in turn can adversely affect the Issuer's operations, result and financial position.

The price of Notes may be volatile

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

MiFID II and MiFIR

The main parts of the European Council Directive 2014/65/EU on markets in financial instruments (MiFID II) and the Regulation (EU) No 600/2014 on markets in financial instruments (MiFIR) entered into force on 3 January 2018. These entail both a review of existing rules on the securities market and the introduction of completely new rules. Among other things, the reporting requirements and transparency obligations on the interest rate market have increased. This may cause the financial institutions acting as intermediaries in trading financial instruments to become less likely to buy securities into their own stocks. If this were to happen to the Notes, it can lead to a deteriorating liquidity of these, which could have an adverse effect on the Noteholders.

European Benchmarks Regulation

Following a number of major scandals, the process of the calculation of EURIBOR, LIBOR, STIBOR and other interest rate benchmarks have been subject of the legislator's attention. This has resulted in a number of legislative measures, whereof some have been implemented and others are going to be implemented. The most important initiative on the subject matter is the so called Benchmarks Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) that entered into force 1 January 2018 and which regulates the provision of a benchmark, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU. Since the regulation has only been applicable for a limited period of time, the effects of the regulation cannot be fully assessed. There is, however, a risk that the Benchmarks Regulation may affect how interest rate benchmarks are calculated and developed. This in turn may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative requirements and the associated regulatory risks may decrease the will of some parties to participate in the determination of interest rate benchmarks or to the fact that certain interest rate benchmarks will cease to be published. If this is the case for an interest rate benchmark applied to the Notes, it could have an adverse effect on the Noteholders.

No active secondary market

Although the Issuer shall use reasonable efforts to ensure that the Notes are listed on Nasdaq Stockholm within three (3) months from the Issue Date, there can be no assurance that such application will be accepted or that the Notes will be so listed. Prior to any listing, there has been no public market for the Notes. There can be no

assurance that an active trading market for the Notes will develop or, if developed, will be sustained. The Nominal Amount may not be indicative of the market price for the Notes. Furthermore, following a listing of the Notes, the liquidity and trading price of the Notes may be subject to fluctuations in response to many factors, including those referred to in this section, as well as to market fluctuations and general economic conditions that may adversely affect the liquidity and price of the Notes, regardless of the actual performance of the Issuer. In addition, transaction costs in any secondary market may be high. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes.

Clearing and settlement in the CSD's account-based system

The Notes will be affiliated to and will continue to be affiliated to a central securities depository of notes, currently the CSD's account-based system, and no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of Interest and redemption of principal amounts, will be performed within the CSD's account-based system. The investors are therefore dependent on the functionality of the CSD's account-based system.

Exchange rate risks and exchange controls

The Issuer will pay principal and Interest on the Notes in Swedish Kronor. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit other than Swedish Kronor (the "**Noteholder's Currency**"). Accordingly, a Noteholder is exposed to exchange rate risk if relevant exchange rates fluctuate significantly (including, but not limited to, fluctuations due to a devaluation of the Swedish Kronor or a revaluation of the Noteholder's Currency) or authorities with jurisdiction over the Noteholder's Currency impose or modify relevant exchange controls (if any).

OVERVIEW OF THE NOTES

This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on page 23 and onwards below.

The Notes

The Issuer has issued 250 Notes with a Nominal Amount of SEK 2,000,000 each. The Notes are denominated in Swedish kronor. The aggregate nominal amount of the Notes is SEK 500,000,000.

ISIN code

The Notes have been allocated the ISIN code SE0012350627.

Form of the Notes

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

Status of the Notes

The Notes on issue are intended to constitute Additional Tier 1 Capital of the Nordnet Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank:

pari passu without any preference among themselves;

pari passu with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations 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;

senior to holders of all classes of the Issuer's shares in their capacity as such holders and any other obligations 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

junior to any present and future claims of (A) depositors of the Issuer, (B) any other unsubordinated creditors of the Issuer, (C) except as expressly stated in (ii) above, any subordinated creditors, including for the avoidance of doubt holders of notes which constitute Tier 2 Capital, and (D) falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*), any senior non-preferred creditors.

Issuance, repurchase and redemption

First Issue Date and tenor

The Notes were issued on 21 March 2019. The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in Clause 11 (*Redemption and repurchase of the Notes*) of the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time.

Purchase of Notes by the Issuer and related companies

Subject to applicable law and clause 11.5 (*Consent from the Swedish FSA*) of the Terms and Conditions, a Group Company, or other company forming part of the Nordnet Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained, sold or cancelled.

Early redemption at the option of the Issuer

Subject to consent from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be redeemed at the option of the Issuer on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

The Issuer can exercise its option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with the Terms and Conditions. The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event

Subject to consent from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be redeemed, substituted or varied before the First Call Date at the option of the Issuer if a Capital Event or Tax Event occurs prior to the First Call Date.

The Issuer can exercise its option by giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with the Terms and Conditions. If the Notes shall be redeemed, they shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Payments in respect of the Notes

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

Interest and default interest

Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- (a) 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 Banking Regulations; or
- (b) will be mandatorily cancelled to the extent so required by the Applicable Banking Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

The Issuer can exercise its cancellation by giving notice to the Noteholders and the Agent in accordance with the Terms and Conditions, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made.

Trigger Events, loss absorption and reinstatement

A Trigger Event occurs if, at any time, the CET1 ratio of the Nordnet Consolidated Situation, as calculated in accordance with the Applicable Banking Regulations, is less than 7.00 per cent as determined by Nordnet Bank and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA).

If at any time a Trigger Event occurs, the Issuer shall procure that Nordnet Bank shall immediately notify the Swedish FSA and the Issuer shall immediately notify the Noteholders and the Agent in accordance with the Terms and Conditions and the Total Nominal Amount or the Issuer's payment obligation under the Notes shall be written down. A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with Nordnet Bank and the Swedish FSA and in accordance with the rules of the CSD. The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 ratio of the Nordnet 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 SEK 250 (i.e. down to a Nominal Amount per Note of SEK 1).

Following a write-down of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Banking Regulations. Reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the rules of the CSD. For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 500.000.000.

European Benchmarks Regulation

The Interest payable under the Notes is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. This benchmark is provided by the Swedish Bankers' Association and/or its wholly owned subsidiary Financial Benchmarks Sweden AB. At the date of this Prospectus, the Swedish Bankers' Association and/or Financial Benchmarks Sweden AB does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the provisions in Article 51 of the Benchmarks Regulation apply such that the Swedish Bankers' Association and/or Financial Benchmarks Sweden AB is not yet required to obtain authorisation or registration.

Listing and admission to trading of the Notes

The Issuer shall use reasonable efforts to ensure that the Notes are listed on Nasdaq Stockholm within three (3) months from the Issue Date, and that it remains listed or, if such listing and admission to trading is not possible to obtain or maintain, listed on another Regulated Market.

The Issuer shall, following the listing and admission to trading, use reasonable efforts to maintain the listing and admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the listing and admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD, subsist.

It is estimated that the Issuer's costs in conjunction with the listing and admission to trading will be no higher than SEK 250,000.

Decisions by Noteholders

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

Only a person who is, or who has been provided with a power of attorney in accordance with the Terms and Conditions from a person who is, registered as a Noteholder:

- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.2 of the Terms and Conditions, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (b) above must fall no earlier than one (1) Business Day after the effective date of the communication.

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

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to above in item a) or (b), as the case may be, and shall also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

No direct action by Noteholders

Subject to certain exemptions set out in the Terms and Conditions, a Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

Prescription

The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. Subject to Clause 9 (*Interest and interest cancellation*) of the Terms and Conditions, the right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

Governing law

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

The CSD

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

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

The Agent

Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, is initially acting as Agent on behalf of the Noteholders in accordance with the Terms and Conditions. The Agency Agreement is available to the Noteholders at the office of the Agent during normal business hours.

The Issuing Agent

Nordea Bank Abp, Finnish Reg. No. 2858394-9, has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

Rating

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

Use of proceeds

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group, including the acquisition of Netfonds Bank AS and Netfonds Livsforsikring AS.

TERMS AND CONDITIONS OF THE NOTES



TERMS AND CONDITIONS FOR
NORDNET AB (PUBL)
SEK 500,000,000
FLOATING RATE
ADDITIONAL TIER 1 CAPITAL NOTES
ISIN: SE0012350627

No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time/as in force on the Issue Date) as applied by the Issuer in preparing its annual consolidated financial statements.

“**Additional Tier 1 Capital**” means additional tier 1 capital (*primärkapitaltillskott*) as defined in Chapter 3 of Title I of Part Two of the CRR and/or any other Applicable Banking Regulations at such time.

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

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

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

“**Applicable Banking Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy applicable to Nordnet Bank or the Group, as the case may be, including, without limitation to the generality of the foregoing, CRD IV and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish FSA (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group).

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

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

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

“**Capital Event**” means, at any time on or after the Issue Date, a change in the regulatory classification of the Notes that would be likely to result in the exclusion of the Notes from the Additional Tier 1 Capital of the Nordnet Consolidated Situation or the reclassification of the Notes as a lower quality form of regulatory capital, provided that (a) the Swedish FSA considers such a change to be sufficiently certain and (b) Nordnet Bank demonstrates to the satisfaction of the Swedish FSA that such change was not reasonably foreseeable at the Issue Date, and provided that such exclusion or reclassification is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Applicable Banking Regulations.

“**CET1 Capital**” means, at any time, the common equity tier 1 capital of the Nordnet Consolidated Situation as calculated by Nordnet Bank in accordance with Chapter 2 of Title II of Part Two of the CRR and/or any other Applicable Banking Regulations at such time.

“**CET1 ratio**” means, at any time: the ratio (expressed as a percentage) of the aggregate amount of the CET1 Capital of the Nordnet Consolidated Situation at such time divided by the Risk Exposure Amount of the Nordnet Consolidated Situation at such time, as calculated by Nordnet Bank in accordance with the CRD IV requirements and any applicable transitional arrangements under the Applicable Banking Regulations.

“**CRD IV**” means the legislative package consisting of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

“**CRD IV Directive**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD IV Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to Nordnet Bank, the Nordnet Consolidated Situation or the Group, as applicable.

“**CRR**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or any other party replacing it, as CSD, in accordance with these Terms and Conditions.

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

“**Distributable Items**” means the amount of the profits at the end of the of the last financial year, plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments (*kapitalbasinstrument*) (excluding, for the avoidance of doubt, distributions to holders of any Tier 2 Capital instruments) less any losses brought forward, profits which are non-distributable pursuant to any applicable legislation or the Issuer's Articles of Association and sums placed to non-distributable reserves in accordance with applicable legislation or the Issuer's Articles of Association, those losses and reserves being determined on the basis of the audited annual financial statements of the Issuer in respect of such financial year.

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

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

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth anniversary of the Issue Date.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

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

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

företagsrekonstruktion) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clause 9.1 (*Interest*).

“**Interest Payment Date**” means 21 March, 21 June, 21 September and 21 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 21 June 2019 and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means STIBOR plus a margin of 6.75 per cent *per annum*.

“**Issue Date**” means 21 March 2019.

“**Issuer**” means Nordnet AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559073-6681 and LEI code 549300D6WW5ZTWLZ4C08.

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

“**Nominal Amount**” has the meaning set forth in Clause 2.4.

“**Nordnet Bank**” means Nordnet Bank AB, a private limited liability company incorporated under the laws of Sweden with Reg. No. 516406-0021.

“**Nordnet Consolidated Situation**” means the Issuer, Nordnet Bank, Nordnet Bank’s Subsidiaries and any other entities which are part of the Swedish prudential consolidated situation (as such term is used in the Applicable Banking Regulations) of which Nordnet Bank is a part, from time to time.

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

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

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 13 (*Distribution of proceeds*) or (iv) a date of a Noteholders’ Meeting or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

“**Regulated Market**” means Nasdaq Stockholm or any other regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU).

“**Risk Exposure Amount**” means, at any time, the aggregate amount of the risk weighted assets or equivalent of the Nordnet Consolidated Situation, calculated in accordance with the Applicable Banking Regulations at such time.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

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

“**STIBOR**” means:

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

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

“**Swedish FSA**” means the Swedish Financial Supervisory Authority (*Finansinspektionen*) or such other governmental authority in Sweden (or, if Nordnet Bank becomes subject to primary bank supervision in a jurisdiction other than Sweden, in such other jurisdiction) having primary bank supervisory authority with respect to Nordnet Bank.

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

“**Tax Event**” means, as a result of any change in, or amendment to, the laws or regulations of Sweden, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, resulting in that the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes, provided that Nordnet Bank satisfies the Swedish FSA that such change in tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date.

“**Tier 2 Capital**” means tier 2 capital (*supplementärkapital*) as defined in Chapter 4 of Title I of Part Two of the CRR and/or any other Applicable Banking Regulations at such time.

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

“**Trigger Event**” means if, at any time, the CET1 ratio of the Nordnet Consolidated Situation, as calculated in accordance with the Applicable Banking Regulations, is less than 7.00 per cent as determined by Nordnet Bank and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA).

“**Write Down Date**” has the meaning as set forth in Clause 10.1.2.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

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

- a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

- b) a “**regulation**” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - c) a provision of law is a reference to that provision as amended or re-enacted; and
 - d) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE NOTES

- 2.1 The Notes on issue are intended to constitute Additional Tier 1 Capital of the Nordnet Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt obligations of the Issuer, and shall at all times rank
- i. *pari passu* without any preference among themselves;
 - ii. *pari passu* with (a) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) any other obligations 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;
 - iii. senior to holders of all classes of the Issuer’s shares in their capacity as such holders and any other obligations 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
 - iv. junior to any present and future claims of (A) depositors of the Issuer, (B) any other unsecured creditors of the Issuer, (C) except as expressly stated in ii above, any subordinated creditors, including for the avoidance of doubt holders of notes which constitute Tier 2 Capital, and (D) falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*), any senior non-preferred creditors.
- 2.2 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.
- 2.3 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.4 The initial nominal amount of each Note is SEK 2,000,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is SEK 500,000,000. The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a

pro rata basis, in accordance with Clause 10 (*Loss absorption and reinstatement*), and “Nominal Amount” shall be construed accordingly.

- 2.5 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent of the Nominal Amount.
- 2.6 A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.
- 2.7 No Noteholder who in the event of the liquidation or bankruptcy of the Issuer 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.
- 2.8 The Issuer reserves the right to issue further notes, including, subordinated notes, and other obligations in the future, which may rank senior to or *pari passu* with the Notes.
- 2.9 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.10 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group, including the acquisition of Netfonds Bank AS and Netfonds Livsforsikring AS.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 Prior to the issuance of the Notes, the Issuer shall provide the following to the Agent, in form and substance satisfactory to the Agent:
- a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
 - b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith is in place;
 - c) the articles of association and certificate of incorporation of the Issuer;
 - d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and
 - e) such other documents and information as is agreed between the Agent and the Issuer.
- 4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 4.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 have been satisfied.

5. NOTES IN BOOK-ENTRY FORM

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.
- 5.6 In order to comply with these Terms and Conditions the Issuer and the Agent, as applicable, may, acting as a data controller, collect and process personal data. The processing is based on the Issuer's or the Agent's, as applicable, legitimate interest to fulfil its respective obligations under these Terms and Conditions. Unless otherwise required or permitted by law, the personal data will not be kept longer than necessary given the purpose of the processing. To the extent permitted under these Terms and Conditions, personal data may be shared with third parties such as the CSD which will process the personal data further as a separate data controller. Data subjects generally have right to know what personal data the Issuer and the Agent, as applicable, processes about them and may request the same in writing at the Issuer's or the Agent's, as applicable registered address. In addition, data subjects have the right to request that personal data is rectified and have the right to receive personal data provided by themselves in machine-readable format. Information about the Issuer's and the Agent's respective personal data processing can be found on their websites.

6. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

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

is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7. LISTING

- 7.1 The Issuer shall use reasonable efforts to ensure that the Notes are listed on Nasdaq Stockholm within three (3) months from the Issue Date, and that it remains listed or, if such listing is not possible to obtain or maintain, listed on another Regulated Market.
- 7.2 The Issuer shall, following the listing, use reasonable efforts to maintain the listing as long as any Notes are outstanding, however not longer than up to and including the last day of which the listing can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD, subsist.
- 7.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to list the Notes or maintain a listing of the Notes in accordance with Clause 7.1 or 7.2 above occurs.

8. PAYMENTS IN RESPECT OF THE NOTES

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.
- 8.4 If payment or repayment is made in accordance with this Clause 8 (*Payments in respect of the Notes*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 8.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax (including but not limited to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto), public levy or the similar.

9. INTEREST AND INTEREST CANCELLATION

9.1 Interest

- 9.1.1 Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.

9.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

9.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

9.2 Interest cancellation

9.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

- a) 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 Banking Regulations; or
- b) will be mandatorily cancelled to the extent so required by the Applicable Banking Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

9.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 24 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above.

9.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have "accrued" or been earned for any purpose.

9.2.4 A cancellation of any payment of Interest at any time shall in no event constitute an event of default.

9.3 Calculation of Interest in case of write-down or reinstatement

9.3.1 Subject to Clause 9.2 (*Interest cancellation*), in the event that a write-down of the Notes occurs pursuant to Clause 10.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted as of such write-down).

9.3.2 Subject to Clause 9.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 10.2 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount.

9.3.3 In connection with a write-down or write-up pursuant to Clause 10 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted interest that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

9.4 No penalty interest

Under no circumstances shall any penalty (*dröjsmålsränta*) interest be payable by the Issuer in respect of the Notes.

10. LOSS ABSORPTION AND REINSTATEMENT

10.1 Loss absorption upon a Trigger Event

10.1.1 If at any time a Trigger Event occurs, the Issuer shall procure that Nordnet Bank shall immediately notify the Swedish FSA and the Issuer shall immediately notify the Noteholders and the Agent in

accordance with Clause 24 (*Notices*) and the Total Nominal Amount or the Issuer's payment obligation under the Notes shall be written down in accordance with this Clause 10.1 (*Loss absorption upon a Trigger Event*).

- 10.1.2 A write-down shall take place on a date selected by the Issuer in consultation with Nordnet Bank and the Swedish FSA (the “**Write Down Date**”) but no later than one month following the occurrence of the relevant Trigger Event unless, in accordance with the Applicable Banking Regulations, the Swedish FSA has agreed with Nordnet Bank in writing that a write-down may occur after a longer period, in which case, on such date as agreed with the Swedish FSA.
- 10.1.3 A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) and shall be made in consultation with Nordnet Bank and the Swedish FSA and in accordance with the rules of the CSD.
- 10.1.4 The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 ratio of the Nordnet 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 SEK 250 (i.e. down to a Nominal Amount per Note of SEK 1).
- 10.1.5 A write-down in accordance with this Clause 10.1 (*Loss absorption upon a Trigger Event*) shall be made taking into account any preceding or imminent write-down of corresponding or similar loss absorbing instruments issued by the Issuer or any other member of the Nordnet Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 10.1.6 For the avoidance of doubt, the Nominal Amount of each Note shall, upon the write-down of the Total Nominal Amount described above, be written down on a *pro rata* basis.
- 10.1.7 If the Notes are to be written down, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*). Notwithstanding the foregoing, failure to give such notice shall not prejudice any write-down of the Notes.

10.2 Reinstatement of the Notes

- 10.2.1 Following a write-down of the Total Nominal Amount in accordance with Clause 10 (*Loss absorption and reinstatement*), the Issuer may, at its absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Banking Regulations.
- 10.2.2 Reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the rules of the CSD.
- 10.2.3 A reinstatement in accordance with this Clause 10.2 (*Reinstatement of the Notes*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments issued by the Issuer or any other member of the Nordnet Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 10.2.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 500,000,000.
- 10.2.5 For the avoidance of doubt, any reinstatement of the Notes shall be made on a *pro rata* basis.
- 10.2.6 If the Issuer decides to reinstate the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*) prior to such reinstatements becoming effective.

11. REDEMPTION AND REPURCHASE OF THE NOTES

11.1 No scheduled redemption

The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in this Clause 11 (*Redemption and repurchase of the Notes*). The Notes are not redeemable at the option of the Noteholders at any time.

11.2 Early redemption at the option of the Issuer

Subject to Clause 11.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 11.7 (*Notice of early redemption*), the Issuer may redeem all (but not some only) outstanding Notes on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

11.3 Purchase of Notes by the Issuer and related companies

Subject to applicable law and to Clause 11.5 (*Consent from the Swedish FSA*), a Group Company, or other company forming part of the Nordnet Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained, sold or cancelled.

11.4 Early redemption upon the occurrence of a Capital Event or Tax Event

If a Capital Event or Tax Event occurs prior to the First Call Date, the Issuer may, at its option, but subject to Clause 11.5 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 11.7 (*Notice of early redemption*), redeem all (but not some only) outstanding Notes on any Interest Payment Date.

11.5 Consent from the Swedish FSA

The Issuer, or any other company forming part of the Nordnet Consolidated Situation may not redeem or purchase, as contemplated by this Clause 11 (*Redemption and repurchase of the Notes*), any Notes without Nordnet Bank obtaining the prior written consent of the Swedish FSA and in accordance with Applicable Banking Regulations.

11.6 Early redemption amount

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

11.7 Notice of early redemption

11.7.1 Any redemption in accordance with Clauses 11.2 (*Early redemption at the option of the Issuer*) and 11.4 (*Early redemption upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent in accordance with Clause 24 (*Notices*). Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

11.7.2 Notwithstanding Clause 11.7.1, if a Trigger Event occurs following a notice being given in accordance with Clause 11.7.1 but prior to the relevant redemption of the Notes, such notice shall be of no force and effect and Clause 10.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption shall occur.

12. INFORMATION TO NOTEHOLDERS

12.1 Information from the Issuer

12.1.1 The Issuer will make the following information available to the Noteholders by way of publication on the website of the Issuer:

- a) as soon as the same become available, but in any event within five (5) months after the end of each financial year, audited consolidated financial statements of the Group for that financial year prepared in accordance with the Accounting Principles;
- b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) of the Group for such period prepared in accordance with the Accounting Principles; and
- c) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, a report on regulatory capital for the Nordnet Consolidated Situation.

12.1.2 When the financial statements and other information are made available to the Noteholders pursuant to Clause 12.1.1, the Issuer shall send a copy of such financial statements and other information to the Agent.

12.2 Information from the Agent

Subject to the restrictions of any agreement regarding the non-disclosure of information received from the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

12.3 Information among the Noteholders

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

12.4 Publication of Finance Documents

12.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of Nordnet Bank, the Issuer and the Agent.

12.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

13. DISTRIBUTION OF PROCEEDS

13.1 In the event of the liquidation or bankruptcy of the Issuer, all payments relating to the Notes and the Finance Documents shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs and expenses relating to the protection or the Noteholders' rights as may have been incurred by

the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.8, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.15;

- b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 9.2 (*Interest cancellation*) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

13.2 Funds that the Agent receives (directly or indirectly) following an application of Clause 13.1 in connection with the enforcement of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 (*Distribution of proceeds*) as soon as reasonably practicable.

13.3 If the Issuer or the Agent shall make any payment under this Clause 13 (*Distribution of proceeds*), the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made in accordance with Clause 24 (*Notices*). The notice from the Issuer shall specify the Record Date, the payment date and the amount to be paid.

14. UNDERTAKINGS

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

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

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

15. DECISIONS BY NOTEHOLDERS

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

15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The

person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.3 being applicable, the person requesting the decision by Noteholders may request the Issuer to convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. Should the Issuer in such situation not convene a Noteholders' Meeting, the person requesting the decision by Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall then upon request provide the convening Noteholder with such information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes as may be necessary in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 15.5 Should the Issuer wish to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 17.1, in either case with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 15.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
 - b) on the Business Day specified in the communication pursuant to Clause 17.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph a) or b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.
- 15.7 The following matters shall require the consent of Noteholders representing at least seventy-five (75) per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2:
- a) a change to the terms of Clause 2 (*Status of the Notes*);
 - b) a change to the terms dealing with the requirements for Noteholders' consent set out in Clauses 15 (*Decisions by Noteholders*), 16 (*Noteholders' meeting*) and 17 (*Written procedure*);
 - c) a change to an Interest Rate or the Nominal Amount; and

- d) an early redemption of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to Clause 11.5 (*Consent from the Swedish FSA*) above).
- 15.8 Any matter not covered by Clause 15.7 shall require the consent of Noteholders representing more than 50 per cent of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1a) or b)).
- 15.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.7, and otherwise twenty (20) per cent of the Adjusted Nominal Amount:
- a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 15.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 15.10, the date of request of the second Noteholders' Meeting pursuant to Clause 16.1 or second Written Procedure pursuant to Clause 17.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

- 15.16 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 15.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 15.6a) or 15.6b), as the case may be, and shall also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

16. NOTEHOLDERS' MEETING

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on the Record Date prior to the date on which the notice is sent.
- 16.2 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

17. WRITTEN PROCEDURE

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of valid a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.
- 17.2 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 17.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.7 and 15.8 have been received in a Written Procedure, the relevant

decision shall be deemed to be adopted pursuant to Clause 15.7 or 15.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. AMENDMENTS AND WAIVERS

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19. APPOINTMENT AND REPLACEMENT OF THE AGENT

19.1 Appointment of the Agent

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 Duties of the Agent

19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.

19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

19.2.5 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

19.2.6 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

19.2.7 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.6.

19.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).

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

19.3 Limited liability for the Agent

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

19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with

reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*).
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

19.4 Replacement of the Agent

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the old Agent or by way of Written Procedure initiated by the old Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 20.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 20.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the retiring Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent which shall replace the retiring Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 20.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Terms and Conditions

21. APPOINTMENT AND REPLACEMENT OF THE CSD

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

22. NO DIRECT ACTIONS BY NOTEHOLDERS

- 22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.6, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.7 before a Noteholder may take any action referred to in Clause 22.1.

22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

22.4 The provisions of this Clause 22 (*No direct actions by the Noteholders*) are subject to the overriding limitations set out in Clause 2 (*Status of the Notes*).

23. PRESCRIPTION

23.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. Subject to Clause 9 (*Interest and interest cancellation*), the right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

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

24. NOTICES

24.1 Any notice or other communication to be made under or in connection with the Finance Documents:

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

24.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1, or, in case of email, when received in readable form by the email recipient. Any such notice shall be made in English.

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

25. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect loss.
- 25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.4 The provisions in this Clause 25 (*Force majeure and limitation of liability*) apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. GOVERNING LAW AND JURISDICTION

- 26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection herewith, shall be governed by and construed in accordance with the laws of Sweden.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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DESCRIPTION OF THE ISSUER

Overview

The Issuer

The Issuer's legal and commercial name is Nordnet AB (corporate identification number 559073-6681). The registered office of the Issuer is in Stockholm and the Issuer's headquarter is located at Alströmergatan 39, SE-104 25 Stockholm, Sweden, with telephone number +46 10 583 30 00. The Issuer was incorporated in Sweden on 11 July 2016. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

Under its articles of association, the Issuer's share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000, divided into not fewer than 500,000 shares and not more than 2,000,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 1,000,000, represented by 1,000,000 shares. Each share has a quota value of SEK 1.

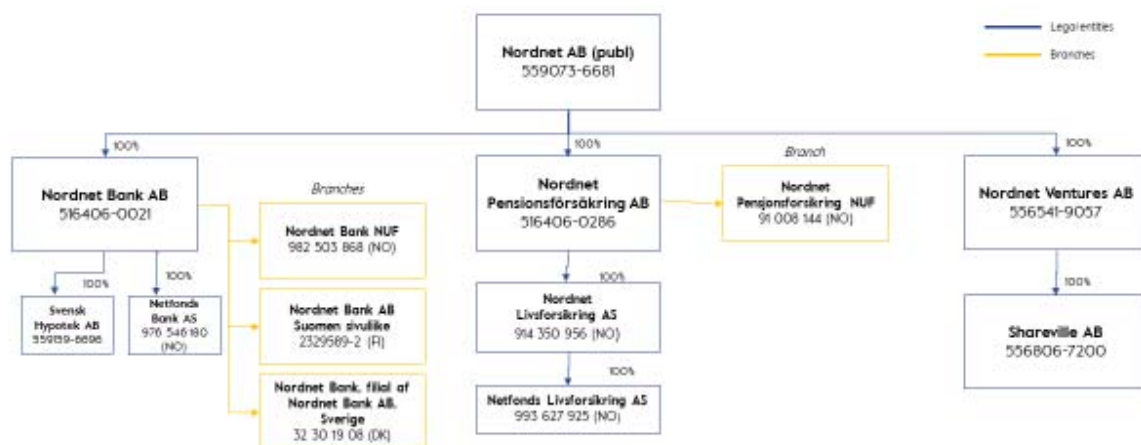
Pursuant to clause 3 of the Articles of Association of the Issuer, the business purpose of the Issuer is to, through wholly owned companies, conduct banking business, securities business, insurance business and any other activities compatible therewith, as well as to, directly or through wholly or partially owned companies, conduct insurance mediation, issue mediate credits to consumers and distribute financial information via Internet and conduct any other activities compatible therewith.

The Issuer has three wholly-owned subsidiaries: (i) Nordnet Bank (as defined above), (ii) Nordnet Pensionsförsäkring AB (corporate identification number 516406-0286) ("**Nordnet Pensionsförsäkring**"); and (iii) Nordnet Ventures AB (556541-9057) ("**Nordnet Ventures**"). Nordnet Bank is a public limited liability banking company (*publikt bankaktiebolag*) regulated by the Swedish Companies Act. As a banking company, Nordnet Bank is subject to the supervision of the Swedish FSA and regulated by, among other things, the Swedish Banking and Financing Business Act (*lag (2004:297) om bank- och finansieringsrörelse*), CRR and the Swedish Deposit Insurance Act (*lag (1995:1571) om insättningsgaranti*). Nordnet Bank AB is ISO 9001:2015 certified for its quality management system.

Nordnet Bank is a digital bank for savings and investments in shares, mutual funds, exchange traded funds, warrants and a number of other asset classes. Nordnet has business activities in Sweden, Norway, Denmark and Finland. The headquarter in Stockholm houses all of the Nordic functions such as IT, product development, finance and administration. Stockholm is also home to the customer service and sales organization for the Swedish market. There are local branches in Oslo, Copenhagen and Helsinki with responsibility for customer service, sales and marketing in each respective market. At 31 December 2018, there were a total of 765,200 customers with a total savings capital of SEK 286 billion.

Legal Group structure

The Issuer is part of a corporate group of which the Issuer is the ultimate parent. The Group structure and principal financing structure as at the date of this Prospectus, are illustrated in the organisational chart¹ below.



Operational structure

Nordnet Bank offers a broad range of services for savings and investments, margin lending with securities as collateral, unsecured loans and residential mortgages on the Swedish market. In addition, a large number of information services and digital advisory tools are offered. In Norway, Denmark and Finland, bank operations are run via branch offices. Through the secondary name Konsumentkredit Sweden, consumer loans are provided to private individuals on the Swedish market.

Nordnet Pensionsforsikring offers life insurance business focused on pension savings. The Norwegian pension operations are conducted through Nordnet Livsforsikring AS, a subsidiary of Nordnet Pensionsforsikring.

Nordnet also runs the social investment network Shareville. Here, the members can exchange experiences and savings tips, and follow how other investors act.

The Group's operations are organised in line with its business areas/segments. The operational structure of the Group is illustrated in the chart below:

¹ In the process to be updated.



Business areas

Nordnet's core business is savings and investments and it offers its customers to save and invest in different types of securities at low fees in seven markets. Nordnet also offers pensions savings and loans.

Savings and investments

The customers can save and invest in different types of securities at low fees in seven markets. User-friendliness, stability and speed are important parameters as Nordnet develops its trading platforms, whether in the form of websites, mobile apps or more advanced applications. The less-active savers can also use its digital advisory services, including Robosave and Fund Advisor.

Nordnet operates the social investment network Shareville, with more than 200,000 members. Here, members can be inspired by, and follow, how other investors act, and receive notifications when these investors make changes in their portfolios.

Pension

In Sweden, Norway and Denmark, Nordnet offers pension savings with a wide range of investment opportunities.

Loans

Nordnet offers three kinds of loans: personal loans (unsecured loans), margin lending, and residential mortgages. Personal loans are available on the Swedish market, both via Nordnet's own brand and under the brand Konsumentkredit. Margin lending with securities as collateral is available in all four of Nordnet's markets and allows its customers to borrow against their securities, increasing their investments. Nordnet's residential mortgages target the Private Banking segment and are available in the Swedish market.

New business line

In December 2018 the Issuer announced the acquisition of Netfonds, a major player in the Norwegian market for electronic securities trading. Netfonds was Norway's first online broker when it started in 1996, and just like Nordnet challenged structures and traditional banks for many years. In 2018, Netfonds made a pre-tax profit of NOK 47 million, had around NOK 18 billion in savings capital and today offers trading in a broad range of brokerage services and securities to more than 80,000 registered customers in Norway and Sweden. With the acquisition of Netfonds, Nordnet solidifies and develops its position in the Norwegian savings market. The goal is to build Norway's best user experience in savings and investments with Nordnet's web service and brand as a basis. The acquisition was completed in April 2019.

Nordnet has strengthened its capital situation by issuing the Notes and through a recent CET1 contribution from shareholders in order to complete the acquisition of Netfonds. As a result of the acquisition and the events mentioned, Nordnet's CET1-ratio has been negatively affected whereas Nordnet's total capital ratio has improved.

Regulatory framework

The Issuer is subject to a number of rules and regulations, amongst others the Companies Act, the Supervision of Credit Institutions and Investment Firms Act (*lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*), the Act on Capital Buffers (*lagen (2014:966) om kapitalbuffertar*) and the CRR sets forth certain requirements on regulatory capital, exposures and liquidity that the Issuer must observe. The subsidiary, Nordnet Bank, which is a banking company, is subject to the supervision of the Swedish FSA and regulated by, among other things, the Swedish Banking and Financing Business Act, CRR and the Swedish Deposit Insurance Act (*lag (1995:1571) om insättningsgaranti*). Nordnet Bank is ISO 9001:2015 certified for its quality management system.

The Nordnet financial conglomerate comprises the Issuer and all its subsidiaries. The conglomerate's capital base shall cover the minimum capital requirements under CRR and the Solvency Requirement under the Insurance Companies Act. The rules contribute to strengthening the Group's resilience to financial losses and thereby protecting customers.

Principal shareholders

The Issuer is owned by the Öhman Group, with a total shareholding of approximately 60 percent and Nordic Capital with a shareholding of approximately 40 percent. The Öhman Group is a definition used specifically for the purpose of this Prospectus that comprises the three legal entities E. Öhman J:or AB, Premiefinans K. Bolin AB, and Gummesson Gruppen AB, all of which are owned by members of the Dinkelspiel family, as well as 17 private individuals, who are members of or closely related to the Dinkelspiel family. Nordic Capital holds direct ownership through Nordic Capital Fund VIII.

THE BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

Board of directors

The Board of the Issuer consists of 7 members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

Name	Position	Board member since
Tom Dinkelspiel	Chairman	2007
Jan Dinkelspiel	Member	2017
Christopher Ekdahl	Member	2017
Karitha Ericson	Member	2019
Christian Frick	Member	2017
Hans Larsson	Member	2017
Per Widerström	Member	2017

Tom Dinkelspiel

Born 1967. Chairman of the Board since 2019 and Board member since 2007.

Principal education: Studies at Stockholm School of Economics.

Other on-going principal assignments: Chairman of the Board of E. Öhman J:or AB, Swedsec Licensiering AB and board member of Kogmot AB och MPS Holding AB.

Jan Dinkelspiel

Born 1977. Board member since 2017.

Principal education: BSc in Business and Economics from Stockholm University and MBA in Football Industries from the University of Liverpool.

Other on-going principal assignments: Founder and CEO of 10Xrecruit.

Christopher Ekdahl

Born 1980. Board member since 2017.

Principal education: MSc in Engineering Physics from Lund Institute of Technology and École Centrale Paris.

Other on-going principal assignments: Director, NC Advisory AB, advisor to Nordic Capital's Funds, and a board member of Nordax Bank AB and companies within the Resurs Group.

Karitha Ericson

Born 1973. Board member since 2019.

Principal education: BSc in Psychology from Stockholm University and studies in Organizational Psychology - Advanced Level at Stockholm University. Studies at Harvard Business School and IFL Styrelseakademin.

Other on-going principal assignments: Chief Operating Officer and deputy CEO at Grant Thornton.

Christian Frick

Born 1976. Board member since 2017.

Principal education: MSc in Economics and Business Administration from the Stockholm School of Economics and the Stockholm University School of Business.

Other on-going principal assignments: Partner at NC Advisory AB, advisor to Nordic Capital Funds, and a Board member in among others the Nordax Group, Resurs Holding AB and MFEX Mutual Funds Exchange AB.

Hans Larsson

Born 1961. Board member since 2017.

Principal education: BSc in Business Administration, Economics and Finance from Uppsala University. Studies in Political Science, Modern Chinese History and Modern History of Islamic States at Stockholm

University. Advanced Management Programme, INSEAD/SSE Advanced Management Program at Stockholm School of Economics.

Other on-going principal assignments: Board member of Intrum Justitia AB and Svensk Exportkredit (SEK), and the CEO of Linderyd Advisory AB.

Per Widerström

Born 1966. Board member since 2017.

Principal education: MSc in International Accounting & Finance from the London School of Economics. BSc in Business Administration, Accounting & Finance from the Gothenburg School of Economics.

Other on-going principal assignments: CEO and Chairman of the Management Board of the listed gaming company Fortuna Entertainment Group.

Senior Management

The Senior Management consist of a team of 13 persons. The table below sets forth the name and current position of each member of the Senior Management.²

Name	Position	With Nordnet since
Anders Danielsson	Acting CEO (since 2018)	2017
Anders Skar	Country manager Norway	2005
Anne Buchardt	Country manager Denmark	2018
Carina Tovi	Chief Operations Officer	2011
Fredrik Ekblom	CEO Nordnet Pensionsförsäkring AB	2014
Jakob Bergfeldt	Chief Lending Officer	2014
Johan Tidestad	Head of Communications	2007
Lennart Krän	Interim Chief Financial Officer	2019
Martin Andersson	Head of Capital Markets	2002
Martin Ringberg	Country manager Sweden	2017
Rasmus Järborg	Chief Product Officer	2018
Ronnie Bodinger	Chief Technology Officer	2018
Suvi Tuppurainen	Country manager Finland	2010

Anders Danielsson

Born 1974. Acting CEO since 2018. With Nordnet since 2017.

Principal education: MSc in Corporate Finance from the Stockholm School of Economics.

Anders Skar

Born 1976. Country manager Norway. With Nordnet since 2015.

Principal education: MBA from the Norwegian School of Economics.

Anne Buchardt

Born 1969. Country manager Denmark. With Nordnet since 2018.

Principal education: MSc in economics from the University of Copenhagen.

Carina Tovi

Born 1965. Chief Operations Officer. With Nordnet since 2011.

Principal education: MSc in Business and Economics from the Stockholm School of Economics.

² On 17 June 2019 the Issuer announced that Lars-Åke Norling has been proposed as new CEO of the Issuer as from 1 September 2019. Lars-Åke Norling is currently Investment Director in the TMT sector at Kinnevik. He was born in 1968 and holds a Master of Business Administration (MBA) from Gothenburg School of Economics, a Master of Science in Systems Engineering from Case Western Reserve University (Cleveland, Ohio, USA) and a Master of Science in Engineering Physics from Uppsala University. The appointment of Lars-Åke Norling as new CEO is subject to formal approval by the Issuer's board of directors and a suitability assessment by the Swedish FSA.

Fredrik Ekblom

Born 1975. CEO Nordnet Pensionsförsäkring AB. With Nordnet since 2014.

Principal education: Specialist education within Banking & Insurance, and Pension & Insurance (IFU).

Jakob Bergfeldt

Born 1980. Chief Lending Officer. With Nordnet since 2014.

Principal education: MSc in Finance from Stockholm University.

Johan Tidestad

Born 1968. Head of Communications. With Nordnet since 2007.

Principal education: Master of Laws from Uppsala University.

Lennart Krän

Born 1965. Interim Chief Financial Officer. With Nordnet since 2019.

Principal education: MSc in Business Administration and Economics from Stockholm University. Certified Financial Analyst (CFA) from the Stockholm School of Economics.

Martin Andersson

Born 1973. Head of Capital Markets. With Nordnet since 2002.

Principal education: Degree in Business Administration from Stockholm University.

Martin Ringberg

Born 1976. Country manager Sweden. With Nordnet since 2017.

Principal education: Bachelor of Science in Business and Economics from Stockholm University.

Rasmus Järborg

Born 1976. Chief Product Officer. With Nordnet since 2018.

Principal education: MSc in Business and Economics from the Stockholm School of Economics.

Ronnie Bodinger

Born 1973. Chief Technology Officer. With Nordnet since 2018.

Principal education: MSc in Engineering from KTH Royal Institute of Technology. Economics studies at Södertörns Högskola.

Suvi Tuppurainen

Born 1976. Country manager Finland. With Nordnet since 2010.

Principal education: MSc in Economics from the University of Tampere, Finland.

Auditors

Deloitte AB (Rehngatan 11, SE-113 79, Stockholm, Sweden) is the Issuer's auditor since 2017. Patrick Honeth is the auditor in charge since 2019, while Jan Palmqvist was the auditor from 2017 to 2018. Both Patrick Honeth and Jan Palmqvist are authorised public accountants and members of FAR, the professional institute for accountants in Sweden.

Business address

The address for all Board members and members of the Senior Management is c/o the Nordnet AB, Alströmergatan 39, SE-104 25 Stockholm, Sweden.

Conflicts of interest

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

LEGAL AND SUPPLEMENTARY INFORMATION

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes on 21 March 2019 was authorised by a resolution of the Board of the Issuer on 26 February 2019.

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

Material agreements

Neither the Issuer nor any other Group Company has concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.

Legal and arbitration proceedings

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

Certain material interests

Nordea Bank Abp is a Bookrunner in conjunction with the issuance of the Notes. The Bookrunner (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Trend information

There has been no material adverse change in the prospects of the Issuer since 22 March 2019, being the date of publication of the last audited financial information of the Issuer.

Significant changes since 31 December 2018

There have been no significant changes in the financial or trading position, except for the acquisition of Netfonds (see page 49 above) of the Group since 31 December 2018, being the end of the last financial period for which audited financial information of the Issuer was presented.

Incorporation by reference

The Issuer's consolidated financial statements for the financial years 2017–2018 as well as for the period January–March 2019 are incorporated into this prospectus by reference and consequently form part of this prospectus and are to be read as part hereof. The said financial statements are included in the Issuer's Annual Reports for the financial years 2017–2018 and the Issuer's interim report for the first three months of 2019, where reference is made as follows:

- Annual Report 2018:³ consolidated income statement (p. 55), consolidated statement of other comprehensive income (p. 56), consolidated balance sheet (p. 57), consolidated statement of changes in equity (p. 58), consolidated cash flow statement (p. 59), notes (p. 65-121) and audit report (p. 129-133).
- Annual Report 2017 (NNB Intressenter):⁴ consolidated income statement (p. 10), consolidated statement of other comprehensive income (p. 10), consolidated balance sheet (p. 11), consolidated statements of changes in equity (p. 12), consolidated cash flow statement (p. 13), notes (p. 18-71) and audit report (p. 77-80).
- Interim report January–March 2019:⁵ consolidated income statement (p. 17), consolidated statement of other comprehensive income (p. 18), consolidated balance sheet (p. 19), consolidated statements of changes in equity (p. 20-21), consolidated cash flow statement (p. 21), notes (p. 25-37).

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

Non-incorporated parts of the above reports contain information presented elsewhere in this prospectus or which is deemed not relevant to investors.

Documents on display

Copies of the following documents are available at the Issuer's office, Alströmergatan 39, SE-104 25 Stockholm, Sweden (regular office hours):

- the Agency Agreement;
- the Issuer's certificate of registration and articles of association;
- all documents which are incorporated by reference in this prospectus (also available electronically on the Issuer's webpage: nordnetab.com);
- the annual reports of the operating Subsidiaries of the Issuer (including auditor's reports) for the financial years 2017 and 2018;
- a copy of this Prospectus together with any supplement; and
- the Terms and Conditions of the Notes.

³ <https://nordnetab.com/wp-content/uploads/2019/03/Nordnets-Annual-and-Sustainability-Report-2018.pdf>

⁴ <https://nordnetab.com/wp-content/uploads/2019/05/NNB-Intressenter-AB-%C3%85rsredovisning-2017.pdf>

⁵ <https://nordnetab.com/wp-content/uploads/2019/04/q1eng19.pdf>

ADDRESSES

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