

Nordnet AB (publ)

Interim report.



*The English version of the interim report is a translation.
In case of any discrepancy between the Swedish version
and the English version, the Swedish version shall prevail.*

January-March 2021.

The quarter in brief.

“I am very proud that we can present a record-breaking quarter for Nordnet on all fronts. But the savers’ trust is not something we can take for granted, and we have to continue to constantly deliver on the ambition of building the best platform for savings and investments.”

Lars-Åke Norling, CEO Nordnet

Customer growth in the past 12 months:

39% (26%)

Adjusted operating profit ¹ SEK 829.6 (367.1) million	Operating income SEK 1,113.6 (644.2) million
Adjusted operating expenses ¹ SEK 279.9 (258.9) million	Earnings per share before dilution 2.63 (1.17) SEK
Net savings SEK 27.0 (23.8) billion	Earnings per share after dilution 2.62 (1.17) SEK
Savings capital, 31 March, SEK 648 (355) billion	New customers 167,200 (88,800)

The figures above refer to the period Jan-Mar 2021, unless otherwise stated. The comparative figures in parentheses refer to the corresponding period 2020.

- Record-breaking inflow of new savers, 39 per cent annual customer growth
- High net savings and new all-time high for savings capital of SEK 648 billion
- The highest number of transactions for an individual quarter and extensive interest in foreign trading
- Successful launch of the new Norwegian pension account, EPK
- Implementation of digital processes for taking out and moving occupational pensions in Sweden
- Record-breaking financial earnings – SEK 830 million in operating profit

SEK million	Q1 2021	Q4 2020	Change %	Q1 2020	Change %	Q2 2020 - Q1 2021
Operating income	1113.6	767.1	45%	644.2	73%	3,148.1
Operating expenses	-279.9	-386.3	-28%	-258.9	8%	-1,214.4
Credit losses	-4.1	-7.1	-42%	-18.2	-77%	-24.6
Operating profit	829.6	373.8	122%	367.1	126%	1,909.1
Profit after tax	665.9	292.0	128%	301.3	121%	1,537.3
Earnings per share before dilution (SEK)	2.63	1.13	133%	1.17	125%	6.00
Earnings per share after dilution (SEK)	2.62	1.13	133%	1.17	124%	6.00
Operating margin %	74%	49%	26%	57%	18%	61%
Adjusted income in relation to savings capital ¹	0.73%	0.59%	0.15%	0.69%	0.05%	0.64%
Adjusted operating expenses ¹	-279.9	-286.9	-2%	-258.9	8%	-1,085.1
Adjusted operating profit ¹	829.6	473.1	75%	367.1	126%	2,038.4
Adjusted operating margin %	74%	62%	13%	57%	18%	65%
Adjusted earnings per share pre amortization of intangible assets due to PPA before dilution (SEK)	2.66	1.48	80%	1.21	120%	6.55
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	2.65	1.48	79%	1.21	119%	6.54
Total number of customers	1,388,700	1,221,500	14%	1,002,400	39%	1,388,700
Net savings (SEK billion)	27.0	35.2	-23%	23.8	13%	85.3
Savings capital at the end of the period (SEK billion)	647.8	564.9	15%	354.9	83%	647.8
Average savings capital per customer SEK	464,600	444,800	4%	391,100	19%	425,500

¹ See table on items affecting comparability on page 12.

For definitions of key performance indicators, refer to pages 34-35.

This is Nordnet.

Nordnet is a leading digital platform for savings and investments with operations in Sweden, Norway, Denmark and Finland. With user-friendliness, high availability, a broad offering and low prices, we give our customers the opportunity to realize their savings ambitions.

The overall objective of Nordnet's business is to democratize savings and investments. By that, we mean giving private savers access to the same information and tools as professional investors. This aim has driven us since the beginning in 1996 and is still our focus today. At the beginning, it entailed offering easily accessible and inexpensive share trading via internet, and building a mutual funds portal with products from a number of different distributors and where savers could easily compare returns, risk and fees. During the journey, we have simplified matters and pressed down fees on, for example, pension savings, index funds and private banking. In recent years, we have democratized savings and investments through, for example, our stock lending program and cost-effective index funds that cover the world markets. We are always on the savers' side, and pursue issues of, for example, fair terms in pension savings and reasonable and predictable taxation of holdings of shares and mutual funds.

Vision

Our vision is to become the Nordic private savers' first choice. To achieve this objective, we must always continue to challenge and innovate, keeping user-friendliness and savings benefit at the top of the agenda. Only then can we achieve the high level of customer satisfaction and brand strength required to become a leader in the Nordic region in terms of attracting new customers and producing loyal ambassadors for Nordnet.

Our product areas

Savings and investments

Nordnet's core business is saving and investments. Our customers can save and invest in shares, funds and other kinds of securities at low fees in several markets. We offer a number of different interfaces in the form of the web, the app and more advanced applications. The less-active savers can also use one of our digital advisory services or invest in our index funds. Nordnet operates the Nordic region's largest social investment network Shareville, with more than 250,000 members.

Pension

In Sweden, Norway and Denmark, we offer pension savings without fixed fees with a wide range of investment opportunities.

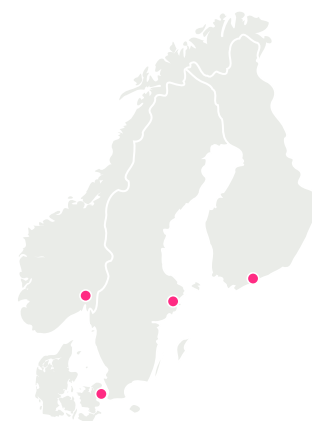
Loans

Nordnet offers three kinds of loans – margin lending, residential mortgages and personal loans (unsecured loans). Margin lending with securities as collateral is available in all four of our markets and allows our customers to borrow against their securities, increasing their investments. Our residential mortgages are offered only to natural persons in Sweden. Personal loans are offered both through Nordnet's own brand and under the brand Konsumentkredit, and are directed at natural persons in Sweden.

Medium-term financial targets¹

- Annual customer growth in a range of 10-15 percent, in line with the average growth rate over the past ten years;
- Average savings capital per customer (defined as the average quarterly savings capital per customer in the past 12 months) at 2019 levels, up to and including 2023;
- Income in relation to savings capital (defined as income adjusted for items affecting comparability in the past 12 months in relation to the average quarterly savings capital for the same period) marginally above 0.40 percent, given current interest rates, up to and including 2023;
- Adjusted annual operating expenses in line with adjusted operating expenses for 2019, up to and including 2023; and
- Nordnet has the intention of paying dividends at 70% of the profit for the year.

¹ For the status regarding the financial targets, see page 11.



Comments from the CEO.



The first quarter of the year was an eventful and successful period for Nordnet. Extensive interest in shares and funds, combined with a strong attractiveness for our platform among all kinds of savers, mean that we can point to a record-breaking development of both customer-related and financial key figures.

At the end of March, our customer base amounted to nearly 1.4 million Nordic private individuals, and 167,200 new savers joined Nordnet during the quarter – more than for all of 2019. Counted as a percentage, our annual customer growth is 39 percent, which is a fantastic figure that we are very happy and proud of. All of our markets show double-digit percentage increases in the customer base compared with one year ago, and our operations mainly

in Denmark and Norway are in what can virtually be described as hyper-growth in terms of new savers.

Trading activity has been high during the quarter, primarily at the beginning of the period. The beginning of the year is normally a period with a large number of transactions where many get started with savings in shares and funds, and others make changes in their portfolios. At the end of January, the spectacular events concerning Gamestop and AMC also happened. Trading activity has dropped slightly back during the quarter, albeit from historically high levels, and the number of transactions per day decreased in March to an average of 310,000 per day from more than 400,000 per day in January. The second quarter has normally a lower activity than the first quarter, and has slightly fewer trading days than the first three months of the year. Even if we in the future return to more normalized trading activity, our assessment is that we have significantly raised our minimum level as a result of our much larger customer base. During the quarter, our customers made 22.7 million trades in total, the highest figure for a single quarter. We are the largest brokerage house on the Oslo Stock Exchange and the largest local broker in Denmark and Finland in terms of the number of trades. Interest in foreign trading has grown, and the percentage of cross-border transactions was 34 percent, compared with 20 percent in the same quarter last year. A broadened investment perspective creates better selection opportunities for the savers and increases the diversification of the portfolio. Net savings for the quarter are at a high SEK 27

“All of our markets show double-digit percentage increases in the customer base on an annual basis, and Denmark and Norway are in what can virtually be described as hyper-growth in terms of new savers.”

billion, and savings capital reached our all-time high of SEK 648 billion.

Our financial earnings reflect the strong development of customer growth and savings, and for the quarter, we can present an operating profit of SEK 830 million – the best earnings by far in Nordnet’s history. Our revenues amount to more than SEK 1.1 billion and expenses are SEK 280 million. The cost base is relatively unchanged compared with the previous quarter, and is at the level we defined as one of our financial targets. However, the large influx of customers is leading to a higher cost pressure in our operating units, mainly customer service and back-office.

The savers’ trust is not something we can take for granted, and we have to continue to constantly deliver, with the ambition of building the best platform for savings and investments in our sights. During the quarter, we expanded our service with multiple functions, including substantially expanded information for the funds we distribute, buy and sell markers for shares in price graphs and improvements in our pension offering. In Norway, we successfully launched the new pension account, EPK, during the quarter. The account offers an opportunity to gather different occupational pensions in one single account. At the end of the quarter, 8,500 EPK accounts had been opened at Nordnet, corresponding to a market share of more than 25 percent of those who made an active choice.

And pensions in particular are worth a few extra words in this context. On 1 April, a new law entered into effect in Sweden, which stipulates a maximum fee of SEK 600 for moving one’s individual occupational pension between different pension companies. A consumer-friendly change that we at Nordnet have been involved in advancing, and will lead to both sought-after savings benefits and a major market potential for Nordnet. However, the pension area is in many respects still difficult and cumbersome. Here, those of us in the industry – together with legislators and authorities – have a responsibility to ensure that both rules and processes become simpler and more readily accessible. During the quarter, at Nordnet we launched the possibility of both taking out and

moving occupational pension savings entirely digitally, without troublesome forms or physical signatures. But more has to happen, and at a faster pace. In terms of simple and saver-friendly processes, in my opinion, we should be inspired by Norway, and the digital pension hub that has just been launched, the “Pension Account Registry”. Through this service, not only can the Norwegian pension savers see their occupational pensions, they can also digitally move them between different actors. Roughly like the Swedish service My Pension, but with possibilities to also act on the information by changing pension company.

“Our financial earnings reflect the strong development of customer growth and savings, and for the quarter, we can present an operating profit of SEK 830 million – the best earnings by far in Nordnet’s history. ”

All of the improvements we develop are not directly apparent in the interface on the web or the app. The high volatility in the market means that a great deal of focus is still on system stability and availability. The transaction intensity at the beginning of 2021 has meant that the load on our systems has been higher than ever before. During the quarter, we expanded our system capacity, which resulted in continued good stability, and that we continued to succeed in achieving our target of 99.9-percent availability despite challenging circumstances.

We would like to express our huge gratitude to all of our customers for choosing Nordnet as a partner for savings and investments. Also thank you to the shareholders of Nordnet – we have an inspiring journey together ahead of us. Lastly, my warmest thanks to all of our Nordnetters, who with a high level of energy, a positive mindset and extensive know-how work dedicatedly every day to make Nordnet the Nordic savers’ first choice.



Lars-Åke Norling
CEO, Nordnet

Operations.

Events in the first quarter

The financial markets

Just over a year has passed since the first news of the coronavirus began to be spread and stock markets around the world took a dive. Even though we have not yet returned to normal, the market has been quick to brush off the dust and climb to new record levels. Since hitting bottom, the broad global index MSCI World has risen 79 percent and is now nearly 20 percent higher than before the coronavirus pandemic broke out.

The first quarter of the year was dominated by rising bond rates and a clear return for value shares, mainly in the traditional industrial sector and the banking and financial sector. President Biden has doubled the American vaccination target and at the same time, rolled out further fiscal stimulus packages, corresponding to 9 percent of GDP. In Europe, vaccinating the population is going slower, but despite this, the stock market rose by 8 percent, fueled by more positive production figures and significantly higher demand for goods exported from the EU.

Since the beginning of the year, value shares have risen 9 percentage points more than growth shares, something that can be attributed to the future prospects of companies struck hard by last year's lockdowns beginning to improve. Last year's sharp value increase for companies in the technology sector slowed down during the quarter, however. The same new-founded optimism for the future and fear of inflation also drove up the bond rates, which is negative in the short term for holders of bonds. At the end of March, the 10-year U.S. government bonds have an interest rate of 1.75%, compared with 0.5% as the lowest quotation in August and 0.9% at year-end. The strong growth in Norway in the past quarter may very well lead to the country raising rates as early as this year. Sweden has also had a very strong quarter, but in contrast to Norway, inflation is low, which may force the Bank of Sweden to return to a negative key interest rate.

The Nordic markets all had a positive development during the first quarter. Norwegian OBX rose almost 11%, Swedish OMXS30 16%, Danish OMXC25 1% and Finnish OMXH25 8%. Oil (+22%) and copper (+13%) rose strongly during the quarter.

Market shares local stock exchanges ¹			Q1 2021		Q4 2020		Q1 2020	
Countries	No. of trades	Turnover	No. of trades	Turnover	No. of trades	Turnover	No. of trades	Turnover
Sweden (Nasdaq Stockholm)	5.4%	4.1%	5.3%	3.7%	4.8%	3.5%		
Norway (Oslo Börs) ²	n/a	11.4%	13.4%	9.0%	9.5%	6.9%		
Denmark (Nasdaq Copenhagen)	6.7%	5.3%	6.0%	4.3%	5.6%	4.7%		
Finland (Nasdaq Helsinki)	11.9%	5.9%	11.4%	5.7%	10.9%	5.4%		

Trading information, Group ³		Q1 2021	Q4 2020	Q1 2020
Traded value cash market (SEK million)		573,900	414,200	410,700
Total number of trades		22,734,000	16,451,000	14,126,900
whereof cross-border trading %		34%	27%	20%
Number of trading days		62	63	63
Average number of trades per day		369,700	263,200	224,200

¹ Nordnet's monthly average market share of trading in financial instruments listed on the Nordic exchanges. As of Q1 2021, the statistics for Oslo Stock Exchange only refer to trading in shares. Source: Market data from Nasdaq in Sweden, Denmark and Finland and from the Oslo Stock Exchange in Norway.

² The market share for the Oslo Stock Exchange for Q4 2020 relates to the average for the period October-November as the reporting from the marketplace changed in December 2020 and relevant data is no longer available. As of Q1 2021, only volume is reported as data, since data for the number of transactions no longer is available.

³ Nordnet's total volume and number of trades on all stock exchanges and markets for all customers, as well as the average number of trades per day. The daily average is calculated as the total number of trades divided by the number of trading days on which the Swedish stock exchange was open.

Development of Nordnet's operations

Nordnet's operations developed very strongly during the first quarter. We have a record-breaking influx of new customers, high net savings, increased lending and intensive transaction activity. The financial development reflects these strong trends, and we can present the best earnings in Nordnet's history for the three-month period January-March.

Nordnet's customers made a total of 22.7 million trades in the first quarter of 2021, which is the highest level for a quarter in the company's history. Interest in savings in general and the stock market in particular has grown explosively, and in January, a new trading record for a single day was set with more than 660,000 trades, driven by high activity and volatility in shares, such as Gamestop, AMC, Nokia, Blackberry and a number of other shares listed on the American market. Trading outside the customers' home market has increased by 14 percentage points from one year ago and for the period January-March 2021 amounted to 34 percent of the total number of trades. For three months straight from January to March, Nordnet reinforced its position as the largest stockbroker in Norway measured in the volume of share trading. Our Norwegian customers made 114 percent more transactions during the quarter compared to the year-before period.

Nordnet's position as a Nordic platform for savings and investment is growing stronger. The annual customer growth accelerated in the quarter, amounting to 39 percent at 31 March 2021. Denmark accounts for the largest growth with a 90-percent increase in the customer base in one year, and interest in the stock market and investment is sky high. During the quarter, our Norwegi-

an operations reached new all-time highs in share and fund trading, net savings, margin lending and growth in new customers. In Norway, the customer base grew by 65 percent and in Finland, 33 percent more savers began to use our platform. During the quarter, Finland surpassed 400,000 customers, and is now the Nordic market where we have the most customers. In Sweden, we reached the highest organic customer growth in one quarter for Nordnet's Swedish market with 17,400 new customers. On an annual basis, Nordnet's Swedish customer base grew by 11 percent. The number of savers on Nordnet's platform on 31 March 2021 amounted to 1,388,700.

In the first three months of the year, net savings totaled SEK 27 billion, the second highest level in Nordnet's history for a single quarter, only exceeded by the fourth quarter of 2020. At 31 March, savings capital amounted to a record SEK 648 billion, an increase by 83 percent compared with one year ago. The savings ratio, meaning net savings during the year divided by savings capital 12 months back, amounted to 24 percent, which was also a record.

Our total loan portfolio surpassed the 20-billion mark and amounted to SEK 22.1 billion, an increase of 51 percent since 31 March of the previous year. The largest increase took place in margin lending, which almost doubled since March 2020. Nordnet's residential mortgages show a good growth rate, and the lending volume increased by 44 percent compared with 12 months ago. The volume in personal loans is essentially unchanged. During the quarter, deposits increased by 8 percent and amounted to SEK 65 billion at 31 March 2021.

January - March	Sweden		Norway		Denmark		Finland		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Number of customers	415,200	372,600	288,300	174,900	263,800	138,900	421,400	316,000	1,388,700	1,002,400
Savings capital SEK billion	275.6	152.1	109.7	49.5	136.3	77.6	126.2	75.7	647.8	354.9
of which shares/ derivatives/bonds	186.8	86.0	69.7	26.2	106.5	53.7	102.0	57.3	465.0	223.2
of which funds	62.1	37.9	29.3	12.7	16.1	9.1	10.4	5.0	117.8	64.7
of which deposits	26.8	28.2	10.7	10.6	13.7	14.7	13.9	13.4	65.0	67.0
Number of trades	7,730,200	5,930,100	5,979,400	2,797,700	4,619,800	2,232,100	4,404,600	3,167,000	22,734,000	14,126,900
Whereof cross-border trading %	17%	10%	30%	23%	58%	40%	42%	24%	34%	20%
Net savings (SEK million)	4.9	4.7	8.1	5.0	9.3	6.0	4.7	8.2	27.0	23.8
Margin lending (SEK billion) ¹	4.0	2.3	2.5	0.8	2.1	1.2	2.5	1.4	11.1	5.7
Mortgage (SEK billion)	7.0	4.9							7.0	4.9
Personal loans (SEK billion)	4.0	4.1							4.0	4.1

¹Lending excluding pledged cash and equivalents

In January, a new type of account for pension savings was launched in Norway called Egen Pensjonskonto (EPK) to which Norwegian savers can move their current and former occupational pensions. Nordnet's market share of the Norwegian private individuals who actively chose a provider for their EPK savings amounted to more than 25 percent. Nordnet has long fought for more decent conditions on the pension market and a free transfer right that works in practice. In February, the formal decision was made in the Swedish Parliament that from 1 April it will cost a maximum of SEK 600 to move a pension insurance policy, something that has been significantly more expensive until now.

Large and small improvements are made every day to develop the customer experience in the app and on the web. In the first quarter, among other things, we launched buy and sell markings in the share graph and a new order panel inspired by online retailing's shopping carts. In the order panel, the customer can see and edit their orders, and soon it will also be possible to place the order directly in the panel. In addition to these functions, we have updated our "onboarding flow" for new customers.

Much of the development we do is not visible in the user interface, and as the business grows, we are continuously automating processes with the aim of reducing the manual work. At the beginning of the year, our application process for residential mortgages was fully automated, which among other things shortens the application time and simplifies matters for the customers. At the same time, we reduced the interest rate and now have Sweden's lowest list rate of 0.69% for customers with SEK 15 million or more in savings capital. We have also created a digital process for companies to file a digital application in just five minutes to start occupational pension savings through Nordnet.

Consolidated net profit

January–March 2021

(January–March 2020)

Operating income amounted to SEK 1,113.6 million (644.2), which is 73 percent higher than the first quarter of 2020. Net commission income increased by SEK 433.5 million to SEK 926.9 million (493.4). The transaction-related income increased by 97 percent compared with the first quarter of 2020 as a result of both more customers and a higher number of trades per customer. The percent of trades outside the customer's home market increased from 20 to 34 percent. In addition, net commission income improved as a result of higher fund savings where the average fund capital was 61 percent higher compared with the first quarter of 2020.

Net interest income increased by SEK 21.1 million to SEK 168.0 million (147.0). Growth in the loan portfolio and higher income from the stock lending program contribute positively, but are dampened by lower return on surplus liquidity.

Operating expenses amounted to SEK 279.9 million (258.9). This increase is mainly attributable to more employees and more marketing, but is dampened slightly by lower costs for consultants.

Credit losses amounted to SEK 4.1 million (18.2), which is lower than the first quarter of 2020. The decrease can mainly be attributed to credit reserves made in the first quarter of 2020 due to increased risk resulting from the ongoing corona pandemic.

Operating profit rose by 126 percent to SEK 829.6 million (367.1), with an operating margin of 74 percent (57). From the first quarter 2020 until the same period 2021, the markets outside Sweden have increased its

Profit by market

January - March	Sweden		Norway		Denmark		Finland		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	348.4	276.5	237.7	124.1	290.7	124.1	236.8	119.5	1,113.6	644.2
Operating expenses	-108.1	-110.5	-62.0	-55.8	-53.6	-44.3	-56.1	-48.3	-279.9	-258.9
Operating profit before credit losses	240.2	166.0	175.7	68.3	237.0	79.8	180.7	71.3	833.7	385.3
Credit losses	-3.0	-15.5	-0.8	-1.1	-0.2	-1.1	-0.1	-0.5	-4.1	-18.2
Operating profit	237.2	150.4	174.9	67.2	236.8	78.7	180.6	70.7	829.6	367.1
Operating margin %	68%	54%	74%	54%	81%	63%	76%	59%	74%	57%
Income in relation to savings capital	0.53%	0.68%	0.96%	0.88%	0.91%	0.63%	0.80%	0.62%	0.73%	0.69%

Financial overview, SEK million	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19
Consolidated income statement								
Net commission income	926.9	595.5	451.1	480.6	493.5	272.5	231.2	219.5
Net interest income	168.0	148.3	152.1	156.3	147.0	132.1	128.8	132.9
Net result of financial transactions	-0.1	-4.3	2.0	-4.4	-7.5	0.5	-3.0	1.8
Other operating income	18.8	27.7	11.9	17.8	11.3	23.1	14.4	16.9
Operating income	1,113.6	767.1	617.1	650.3	644.2	428.2	371.4	371.2
General administrative expenses	-228.9	-324.6	-231.3	-225.5	-210.2	-283.6	-216.6	-227.6
Depreciation, amortization and impairments	-39.6	-41.1	-39.2	-39.3	-38.5	-48.4	-47.5	-40.5
Other operating expenses	-11.4	-20.5	-6.5	-6.4	-10.2	-12.4	-9.6	-9.3
Operating expenses	-279.9	-386.3	-277.1	-271.2	-258.9	-344.4	-273.7	-277.4
Net credit losses	-4.1	-7.1	-3.4	-10.0	-18.2	-9.7	-5.5	-11.7
Operating profit	829.6	373.8	336.6	369.1	367.1	74.1	92.3	82.1
Earnings per share before dilution, (SEK)	2.63	1.13	1.07	1.17	1.17	0.23	0.29	0.26
Earnings per share after dilution, (SEK)	2.62	1.13	1.07	1.17	1.17	0.23	0.29	0.26
Items affecting comparability ¹	0.0	-99.4	-18.9	-11.0	0.0	-49.2	-2.1	-7.7
Adjusted operating expenses before credit losses	-279.9	-286.9	-258.2	-260.2	-258.9	-295.2	-271.6	-269.7
Adjusted operating profit ¹	829.6	473.1	355.5	380.1	367.1	123.3	94.4	89.8
Adjusted earnings per share pre amortization of intangible assets due to PPA before dilution (SEK)	2.66	1.48	1.17	1.24	1.21	0.43	0.36	0.33
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	2.65	1.48	1.17	1.24	1.21	0.43	0.36	0.33
Key figures								
Adjusted operating income in relation to savings capital - rolling 12 months %	0.64%	0.60%	0.58%	0.55%	0.51%	0.44%	0.43%	0.43%
Adjusted operating expenses in relation to savings capital - rolling 12 months %	0.22%	0.24%	0.27%	0.29%	0.31%	0.32%	0.33%	0.34%
Operating margin %	74%	49%	55%	57%	57%	17%	25%	22%
Adjusted operating margin %	74%	62%	58%	58%	57%	29%	25%	24%
Cost/income %	25%	50%	45%	42%	40%	80%	74%	75%
Adjusted cost/income %	25%	37%	42%	40%	40%	69%	73%	73%
Profit margin %	60%	38%	45%	46%	47%	15%	22%	20%
Return on equity (annulized) %	58%	33%	34%	36%	38%	12%	14%	15%
Adjusted return on equity (annulized) %	58%	35%	35%	37%	38%	12%	11%	11%
Adjusted return on equity excl intangible assets (annulized) %	73%	48%	48%	52%	54%	18%	17%	16%
Customers	1,388,700	1,221,500	1,122,900	1,069,200	1,002,400	913,600	882,200	854,800
Annual customer growth %	39%	34%	27%	25%	26%	19%	19%	19%
Net savings (SEK billion)	27.0	35.2	9.7	13.4	23.8	7.3	4.2	2.4
Savings ratio %	24%	21%	15%	14%	12%	7%	5%	5%
Savings capital (SEK billion)	647.8	564.9	477.8	424.6	354.9	394.5	365.2	353.7
of which shares/derivatives/bonds	465.0	404.4	329.1	283.5	223.2	268.0	244.5	238.0
of which funds	117.8	100.2	88.2	79.3	64.7	81.5	75.6	71.3
of which deposits	65.0	60.3	60.5	61.8	67.0	45.0	45.1	44.4
Average savings capital per customer - 12 months rolling (SEK)	425,500	415,900	404,200	400,900	402,900	409,100	409,000	412,200
Lending (SEK billion)	22.1	19.7	17.8	16.1	14.7	15.6	14.9	14.6
of which margin lending ²	11.1	9.2	8.0	6.8	5.7	7.1	6.6	6.4
of which mortgages	7.0	6.5	5.8	5.3	4.9	4.5	4.3	4.3
of which personal loans	4.0	4.0	4.0	4.0	4.1	4.1	4.0	4.0
Investments in tangible assets (SEK million)	17.8	3.1	4.2	3.7	0.9	4.5	1.0	34.8
Investments in intangible assets excl. company acquisitions (SEK million)	29.9	28.6	20.7	23.8	20.0	20.5	18.9	21.4
Number of full-time equivalents at end of period	610	571	558	533	505	494	499	496

¹ See table on items affecting comparability on page 12.

² Lending excluding pledged cash and equivalents.

For definitions of key performance indicators, refer to pages 34-35

total share of the operating profit from 59 to 71 percent. All four markets now contribute between 20-30 percent of the profit, which is positive from both a diversification and a profitability perspective. There are no items affecting comparability for the first quarter of 2021 or the first quarter of 2020.

Profit after tax for the period rose by 121 percent to SEK 665.9 million (301.3), resulting in a profit margin of 60 percent (47).

Financial position as of 31 March 2021

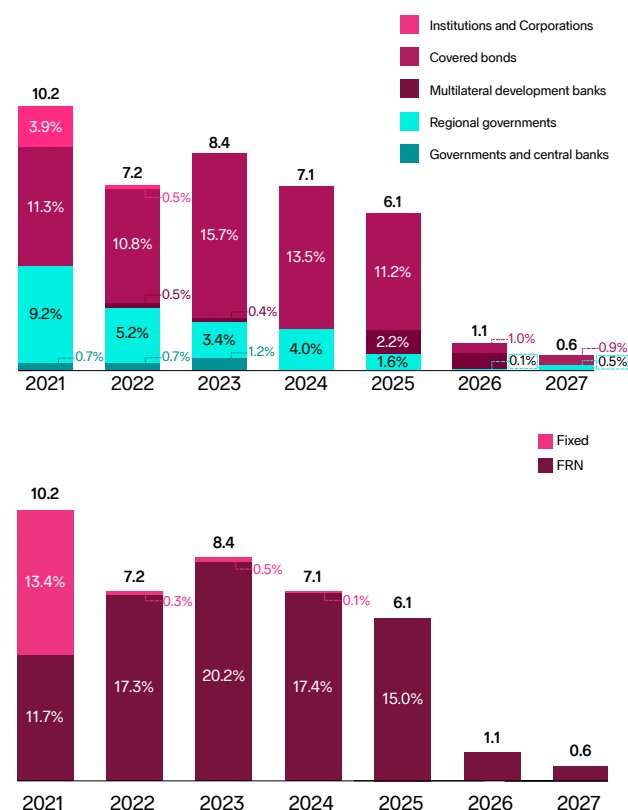
(31 December 2020)

Liquidity remains good and at 31 March 2021, liquidity amounted to SEK 47,362.4 million (44,101.7). The Group's financing consists mainly of deposits, which amounted to SEK 65,035.2 million (60,334.4) and lending was SEK 23,298.1 million (20,311.9), which provides a ratio between lending and deposits of 35.8 percent (33.7). The largest increase is in margin lending and is due to customer growth and a positive stock market development.

The Group's cash and cash equivalents amounted to SEK 3,931.6 million (3,704.0). Frozen assets amounted to SEK 579 million (319) of which SEK 176 million (150) was utilized. In addition, interest-bearing investments were held with a total fair value of SEK 19,772.0 million (15,683.3). In addition to the investments valued at fair value, Nordnet also has interest-bearing investments that are to be held to maturity and are thereby valued at amortized cost in an amount of SEK 21,316.1 million (22,421.9).

Nordnet's liquidity is mainly invested in covered bonds, sovereign securities, the Swedish Riksbank, the Danish National Bank and the Nordic banking system. The majority of the investments have a short remaining maturity.

Maturity structure (SEK billion) 31 March 2021



Consolidated equity also remains strong and amounted to SEK 4,897.0 million (4,211.7). The bonds for SEK 500 million issued by the Group (AT1) have an indefinite maturity with the first opportunity for redemption after five years, in the first quarter of 2024, and run with interest of three-month Stibor +6.75 percent. The bonds are listed on Nasdaq Stockholm. For more information,

Financial position	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19
Equity, SEK million	4,897.0	4,211.7	3,880.7	3,596.8	2,615.1	3,057.8	3,013.8	2,940.8
Equity excluding Tier 1 capital, SEK million	4,405.5	3,721.7	3,389.3	3,105.3	2,123.6	2,566.4	2,522.4	2,451.0
Own funds ¹	3,102.1	2,951.6	2,389.4	2,128.0	2,118.8	1,990.6	1,913.5	1,749.5
CET1 ratio ¹	18.2%	18.1%	15.0%	13.7%	14.1%	14.8%	14.6%	13.0%
Total capital ratio ¹	21.7%	21.8%	19.0%	18.0%	18.5%	19.7%	19.7%	18.3%
Leverage ratio ¹	4.04%	4.02%	3.30%	2.95%	2.56%	3.82%	3.67%	3.59%
Lending/deposits %	36%	34%	32%	28%	24%	36%	35%	35%
Deposits/savings capital	10%	11%	13%	15%	19%	11%	12%	13%

¹ Relates to consolidated situation.

see the Group's specification of equity on page 16. For the financial conglomerate in which Nordnet AB (publ) is the Parent Company, the asset base amounted to SEK 3,102.1 million (2,951.6) and total risk exposure amounts to SEK 14,300.4 million (13,518.2). At the end of the period, the capital ratio was 21.7 percent, compared with 21.8 percent on 31 December 2020. For more information, see Note 8.

Status of financial targets

(31 March 2020)

With regard to the financial targets that Nordnet has set on the median term, the status at 31 March 2021 is as follows:

- Annual customer growth in the past 12 months amounted to 39 percent (26)
- Average savings capital per customer amounted to SEK 425,500 (402,900)
- Adjusted income in relation to savings capital amounted to 0.64 percent (0.51) in the past 12 months
- Adjusted operating expenses in the past 12 months amounted to SEK 1,085.1 million (1,095.4)

Read more about the financial targets on page 3.

Cash flow

January–March 2021

(January–March 2020)

Cash flow from operating activities was positively impacted during the period by greater liquidity on customer deposits of SEK 1,772.9 million (16,216.3), but was negatively impacted by greater lending of SEK 2,751.2 million (positive 209.5). During the quarter, cash flow in investing activities was negative due to increased investments in bonds and other fixed-income securities for SEK 1,228.0 million (17,026.9).

Parent Company

January–March 2021

(January–March 2020)

Nordnet AB (publ) is a holding company and conducts no operations beyond its role as the owner of Nordnet Bank AB, Nordnet Pensionsförsäkring AB and the Group's other companies. Operating income for January–March 2021 amounted to SEK 4.5 million (3.4) and relates to Group-internal administrative services.

The loss after financial investments amounted to SEK 0.3 million (0.4). The Parent Company's profit after financial items for the period January–March 2021 amounted to SEK 0.8 million (loss: 1.6). The Parent Company's cash and cash equivalents amounted to SEK 286.2 million (112.2 at 31 December 2020), and shareholders' equity to SEK 2,362.1 million (2,370.0).

Significant risks and uncertainties

Risk taking is an essential part of Nordnet's business. Nordnet's profitability is directly dependent on its capacity to identify, analyze, control and price risk. Risk management in Nordnet serves several purposes. Partly to achieve desired profitability and growth, given a deliberately accepted level of risk and to maintain a high level of trust from customers and the external community. A trust that is essential for Nordnet's long-term profitability and existence.

How risk management is conducted is described in the risk management framework. The framework describes the strategies, processes, procedures, internal regulations, limits, controls and reporting procedures related to risk management. Combined, these are intended to ensure that Nordnet can, on an on-going basis, identify, measure, guide, internally report and maintain control over the risks to which Nordnet is, or is likely to be, exposed. A detailed description of Nordnet's exposure to risk and handling of risks can be found under Note 7 in the 2020 Annual Report.

The uncertainty surrounding the financial consequences of the coronavirus pandemic can impact risk in Nordnet. With regard to margin lending, it is primarily high volatility, especially sharp stock market declines, that can have a negative impact. However, Nordnet has handled the credit risks well and has not seen any increase in credit losses in this area. Nor has any increase in credit losses been noted in residential mortgages, and only a few customers have requested deferrals in principal repayments in accordance with the temporary exemption issued by the Swedish Financial Supervisory Authority. The primary risk of higher credit losses is deemed to be in personal loans, i.e. unsecured loans, as an effect of higher unemployment, which could have a negative impact on the borrowers' repayment capacity. Nordnet has not, however, noted any changed payment capacity among its customers.

Review by the Swedish FSA

At the end of March, it was announced that the Swedish Financial Supervisory Authority decided to conduct an investigation of Nordnet regarding internal governance and control in relation to the Short Selling Regulation. The background of the investigation is short-selling transactions that were conducted by customers in Nordnet in Moment Group AB in February 2021. Due to the short-selling transactions in Moment Group, the Swedish Financial Supervisory Authority wants to review Nordnet's internal procedures and processes for short selling and their application. The investigation will begin with the gathering of materials, followed by a meeting between the Swedish Financial Supervisory Authority and Nordnet to supplement the examination. The review is under way, and the outcome is not known.

Other company events

The Share

On 25 November 2020, Nordnet AB (publ) was listed on the Nasdaq Stockholm Large Cap list under the ticker SAVE. At 31 March 2021, the price closed at SEK 141.00, which is an increase of 9.2% since year-end.

Annual General Meeting

The Board of Directors proposes that the Annual General Meeting on 29 April 2021 decide on a dividend of SEK 1.51 per share, which is in line with the Swedish Financial Supervisory Authority's recommendation that banks shall be restrictive regarding dividends until 30 September 2021. In addition, Charlotta Nilsson was proposed to be elected as a new Board member. Christopher Ekdahl has declined re-election.

Buyback of own shares

The existing authorization was approved by the Extraordinary General Meeting held on 24 November 2020. The authorization is valid until the Annual General Meeting on 29 April 2021. The Board of Directors has proposed to the Annual General Meeting that a new authorization be provided.

Authorization concerns the right of the Board to decide to acquire a maximum of so many shares that the company at any time after acquisition holds a total of no more than 10% of all shares in Nordnet. No shares have been repurchased during 2021 and no treasury shares were held as of 31 March 2021.

Employees

As of 31 March 2021, there were 610 full-time employees at Nordnet (571 as of 31 December 2020). Full-time employees include temporary employees but not employees on parental or other leave. The average number of employees for the period January-March was 623 (527 during the period January-December 2020). In addition to the number of full-time positions, the number of employees also includes staff on parental leave and leaves of absence.

Closely related transactions

E. Öhman J:or AB with subsidiaries ("Öhman Group") are closely related to Nordnet AB (publ). The Öhman Group's owners, which among themselves have family relationships, also have a direct holding in Nordnet AB (publ). Nordnet Bank AB and Nordnet Pensionsförsäkring AB regularly enters into business relations with Öhman Group in the same way as with other financial players. For additional information, please refer to Note 6 in the 2020 Annual Report.

Events after 31 March 2021

On 19 April 2021, Nordnet announced that the earnings for the first quarter of 2021 substantially exceeded market expectations. The consensus of analyst estimates for operating profit was SEK 566 million, and reported profit for Nordnet was preliminarily calculated to be SEK 830 million.

Upcoming report events

Interim Report January-June	23 Jul 2021
Interim Report January-September	25 Oct 2021
Year-end report	3 Feb 2022

Items affecting comparability

SEK million	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19	Q2 19
Acquisition of Netfonds						-19	-2	-8
Deduction right VAT			-9	-11		-30		
Expenses related to the IPO		-99	-10					
Total	-	-99	-19	-11	-	-49	-2	-8

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Financial statements.



Financial statements.

Consolidated income statement

SEK million	Note	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Commission income	2	1,165.7	628.0 ¹	772.2	2,609.3
Commission expenses	2	-238.8	-134.6	-176.7	-588.7
Interest income	3	210.7	191.6	200.2	787.1
Interest expenses	3	-42.7	-44.6	-51.9	-183.6
Net result of financial transactions		-0.1	-7.5 ¹	-4.3	-14.2
Other operating income		18.8	11.3	27.7	68.7
Total operating income		1,113.6	644.2	767.1	2,678.7
General administrative expenses		-228.9	-210.2	-324.6	-991.7
Depreciation, amortization and impairments of intangibles and equipment		-39.6	-38.5	-41.1	-158.1
Other operating expenses		-11.4	-10.2	-20.5	-43.6
Total expenses before credit losses		-279.9	-258.9	-386.3	-1,193.4
Profit before credit losses		833.7	385.3	380.9	1,485.3
Credit losses, net	4	-4.1	-18.2	-7.1	-38.7
Operating profit		829.6	367.1	373.8	1,446.6
Tax on profit for the period		-163.7	-65.7	-81.8	-273.9
Profit for the period ²		665.9	301.3	292.0	1,172.7
Earnings per share before dilution, SEK	9	2.63	1.17	1.13	4.55
Earnings per share after dilution, SEK	9	2.62	1.17	1.13	4.55
Average number of outstanding shares before dilution	9	250,000,000	250,000,000	250,000,000	250,000,000
Average number of outstanding shares after dilution	9	250,721,982	250,000,000	250,000,000	250,000,000

Consolidated statement of other comprehensive income

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Profit for the period	665.9	301.3	292.0	1,172.7
Items that will be reversed to the income statement				
Changes in value of financial assets recognized at fair value through other comprehensive income	-1.7	-28.5	11.4	31.1
Tax on changes in value of financial assets recognized at fair value through other comprehensive income	0.3	6.1	-2.4	-6.7
Translation of foreign operations	31.4	-30.5	-8.9	-49.5
Tax on translation of foreign operations	-2.1	-4.6	7.7	0.8
Total other comprehensive income after tax	27.9	-57.5	7.8	-24.2
Total profit or loss and other comprehensive income ²	693.8	243.9	299.9	1,148.5

¹ During 2020, Nordnet has adjusted the classification of exchange income generated from customers' trading in securities from Net result of from financial transactions to commission income. For more information, see Note 2.

² The entire profit accrues to the Parent Company's shareholders.

Consolidated balance sheet

SEK million	Note	31/03/2021	31/12/2020
Assets			
Cash and balances in Central banks		3,279.8	3,100.5
Treasury bills and other interest bearing securities eligible for refinancing		28,199.1	30,279.6
Loans to credit institutions		651.8	603.5
Loans to the general public	4	23,298.1	20,311.9
Bonds and other interest bearing securities		5,643.2	2,336.4
Shares and participations		10.6	7.3
Assets for which customers bear the investment risk		119,645.3	102,691.3
Intangible fixed assets		902.1	866.8
Tangible fixed assets		278.1	272.9
Deferred taxed assets		0.7	0.6
Current tax assets		1.5	12.2
Other assets		3,982.1	7,228.6
Prepaid expenses and accrued income		302.5	281.4
Total assets		186,194.9	167,993.1
Liabilities			
Deposits and borrowing from the general public		55,446.8	52,552.8
Liabilities for which customers bear the investment risk		119,647.5	102,693.3
Other liabilities		5,366.7	7,976.4
Current tax liabilities		510.0	200.0
Deferred tax liabilities		75.6	73.2
Accrued expenses and deferred income		251.3	285.7
Total liabilities		181,297.9	163,781.4
Equity			
Share capital		1.2	1.2
Additional Tier 1 (AT1) capital		500.0	500.0
Other capital contributions		7,112.4	7,112.4
Other reserves		-72.5	-100.4
Retained earnings/cumulative losses including profit and loss for the period		-2,644.1	-3,301.5
Total equity		4,897.0	4,211.7
Total liabilities and equity		186,194.9	167,993.1

Consolidated statement of changes in equity

SEK million	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves	Retained earnings including profit for the period	Total equity
Equity brought forward 1 January 2021	1.0	500.0	7,112.4	-100.4	-3,301.5	4,211.7
Profit after tax reported in the income statement	-	-	-	-	665.9	665.9
Other comprehensive income after tax	-	-	-	27.9	-	27.9
Total comprehensive income	-	-	-	27.9	665.9	693.8
Transactions reported directly in equity						
Interest on Tier 1 capital	-	-	-	-	-8.5	-8.5
Total transactions reported directly in equity	-	-	-	-	-8.5	-8.5
Equity carried forward 31 March 2021	1.2	500.0	7,112.4	-72.5	-2,644.1	4,897.0

SEK million	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves	Retained earnings including profit for the year	Total equity
Equity brought forward 1 January 2020	1.0	500.0	7,071.2	-76.1	-4,438.3	3,057.8
Profit after tax reported in the income statement	-	-	-	-	1,172.7	1,172.7
Other comprehensive income after tax	-	-	-	-24.3	-	-24.3
Total comprehensive income	-	-	-	-24.3	1,172.7	1,148.5
Transactions reported directly in equity						
Issue of warrants	-	-	43.1	-	-	43.1
Transaction costs warrants	-	-	-1.9	-	-	-1.9
Bonus issue	0.2	-	-	-	-0.2	0.0
Interest on Tier 1 capital	-	-	-	-	-35.8	-35.8
Total transactions reported directly in equity	0.2	-	41.2	-	-36.0	5.4
Equity carried forward 31 December 2020	1.2	500.0	7,112.4	-100.4	-3,301.5	4,211.7

SEK million	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves	Retained earnings including profit for the period	Total equity
Equity brought forward 1 January 2020	1.0	500.0	7,071.2	-76.1	-4,438.3	3,057.8
Profit after tax reported in the income statement	-	-	-	-	301.3	301.3
Other comprehensive income after tax	-	-	-	-57.5	-	-57.5
Total comprehensive income	-	-	-	-57.5	301.3	243.8
Transactions reported directly in equity						
Interest on Tier 1 capital	-	-	-	-	-8.5	-8.5
Total transactions reported directly in equity	-	-	-	-	-8.5	-8.5
Equity carried forward 31 March 2020	1.0	500.0	7,071.2	-133.6	4,145.6	3,293.2

Consolidated cash flow

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Operating activities				
Cash flow from operating activities before changes in working capital	918.8	409.9	638.0	1,553.6
Cash flow from changes in working capital	569.8	19,905.0	393.8	10,345.0
Cash flow from operating activities	1,488.6	20,314.9	1,031.8	11,898.5
Investing activities				
Purchases and disposals of intangible and tangible fixed assets	-47.6	-17.8	-31.9	-102.2
Effect of acquisitions of minorities	-3,793.1	-19,187.6	-4,039.4	-20,515.3
Disposals of subsidiaries	2,565.1	2,160.7	4,617.1	11,518.4
Cash flow from investing activities	-1,275.6	-17,044.7	545.8	-9,099.1
Financing activities				
Cash flow from financing activities	-2.2	-8.3	48,0 ¹	22.2
Cash flow for the period	210.8	3,261.8	1,625.6	2,821.6
Cash and cash equivalents at the start of the period	3,704.0	914.7	2,082.4	914.7
Exchange rate difference for cash and cash equivalents	16.8	-20.4	-4.0	-32.3
Cash and cash equivalents at the end of the period ²	3,931.6	4,156.2	3,704.0	3,704.0
whereof cash and cash equivalents in Central Banks	3,279.8	3,667.2	3,100.5	3,100.5
whereof loans to credit institutions	651.8	489.0	603.5	603.5

¹ SEK 41.2 million pertains to the issue of warrants

² This amount includes blocked funds of SEK 579 million (319).

Parent Company income statement

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Net sales	4.5	3.4	4.5	21.6
Total operating income	4.5	3.4	4.5	21.6
Other external costs	0.5	-1.5	-63.7	-85.6
Personnel costs	-3.4	-2.8	-3.6	-12.7
Other operating expenses	-0.5	-0.4	-7.2	-8.2
Operating profit	1.1	-1.2	-70.1	-85.0
Result from financial investments				
Result from participations in Group companies	-	-	296.0	296.0
Interest expense and similar items	-0.3	-0.4	-1.2	-1.9
Result from financial investments	-0.3	-0.4	294.8	294.1
Profit after financial items	0.8	-1.6	224.7	209.0
Tax on profit for the period	-0.2	-	-4.3	-2.5
Profit for the period	0.6	-1.6	220.4	206.5
Items that will be reversed to the income statement	-	-	-	-
Total other comprehensive income after tax	-	-	-	-
Total profit or loss and other comprehensive income ²	0.6	-1.6	220.4	206.5

Parent Company's balance sheet

SEK million	31/03/2021	31/12/2020
Assets		
Financial fixed assets	1,989.1	1,989.1
Current assets	111.2	351.0
Cash and bank balances	286.2	112.2
Total assets	2,386.5	2,452.3
Equity and liabilities		
Restricted equity	1.2	1.2
Non-restricted equity	2,360.9	2,368.8
Current liabilities	24.4	82.3
Total equity and total liabilities	2,386.5	2,452.3

Notes.

Note 1 Accounting principles

This interim report for the Group has been compiled in accordance with IAS 34, Interim Financial Reporting. In addition, the Group adheres to the Annual Accounts Act of Credit Institutions and Securities Companies and the Financial Supervisory Authority's regulations (FFFS 2008:25) and RFR 1 Supplementary Accounting Rules for Groups. The Parent Company's Interim Report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities.

The accounting principles applied in this Interim Report are those described in the 2020 Nordnet Annual Report, Note 5, the section entitled "Accounting principles applied". The accounting principles and bases of calculation applied remain unchanged compared with the 2020 Annual Report, except for the following amendments.

New and amended standards from 1 January 2021.

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

In August 2020, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 were issued as a result of the interest rate benchmark reform - Phase 2. The amendments were adopted by the EU in January 2021 to be applied from 1 January 2021 with permitted early application. The changes refer to accounting principles that arise when financial instruments that refer to an IBOR interest rate are transferred to an alternative reference interest rate. The new rules contain a practical solution for the modifications required by the interest rate benchmark reform, which are to be treated as changes in variable interest rates.

Since January 2021, the Bank of Sweden started a test period of (at least) 6 months where the Bank of Sweden publishes a preliminary SWESTR (Swedish krona Short Term Rate) every banking day. A quality-assured and official benchmark rate will begin to be published after the end of the test period. A review is in progress within Nordnet regarding the

handling of the transition to new benchmark interest rates. The review is focused on the liquidity portfolio as no products are linked to benchmark interest rates, except Nordnet's bond, which is listed on Nasdaq that runs with STIBOR interest. The issues concern practical aspects of systems, as well as risk and return issues linked to the actual transition for placements that were previously quoted at one benchmark rate and then shift to another one.

The amendments to IFRS 7 and IFRS 9 have not had any significant impact on Nordnet's financial statements. We are continuing to assess the impact of the IBOR reform.

Standards that will come into force in 2022 and beyond

IFRS 17 Insurance Contracts and IFRS 4 Insurance Contracts

The standard will replace IFRS 4 Insurance Contracts and aims at creating a uniform method of accounting for all types of insurance contracts, a higher degree of transparency of insurance companies' earnings and increased comparability between companies and countries. In June 2020, the International Accounting Standards Board (IASB) adopted amendments to the insurance standard IFRS 17 Insurance Contracts and IFRS 4 Insurance Contracts.

The purpose of the amendments is to reduce the expense of applying IFRS 17 by introducing certain simplifications of the standard's requirements and making it easier for companies to explain their results when applying the standard. The purpose is also to simplify the transition for companies so that they can start applying the standard by postponing mandatory application by two years, from 2021 to 2023.

Note 2 Net commission income

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Commission income				
Commission income - transaction related ¹	737.4	421.1	479.6	1,682.8
Commission income - not transaction related ²	138.3	94.6	131.5	414.7
Currency exchange income	290.0	112.3	161.2	511.8
Total commission income	1,165.7	628.0³	772.2	2,609.3
Commission expenses				
Commission expenses - transaction related	-192.0	-109.0	-133.9	-473.9
Commission expenses - not transaction related	-46.8	-25.6	-42.8	-114.8
Commission expenses	-238.8	-134.6	-176.7	-588.7
Net commission income	926.9	493.4	595.5	2,020.7

¹ Refers to brokerage income.

² Refers primarily to commission income from fund savings.

³ During 2020 Nordnet has adjusted the classification of exchange income generated from customers' trading in securities from Net income from financial transactions to commission income. For the first quarter income of 112.3 SEK million has been restated from Result of financial transactions to Commission income.

Note 3 Net interest income

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2020	12 months Jan-Dec 2020
Interest income				
Loans to credit institutions	30.1	26.2	31.8	119.1
Interest bearing securities	15.0	34.3	16.5	113.5
Loans to the general public	162.6	128.9	149.5	546.1
Other interest income	3.0	2.2	2.4	8.4
Total interest income	210.7	191.6	200.2	787.1
Interest expenses				
Liabilities to credit institutions	-4.9	-1.5	-1.1	-8.3
Interest bearing securities	-13.1	-20.6	-16.7	-72.7
Deposits and borrowing from the general public	-0.1	-2.6	-0.2	-5.4
Other interest expenses	-24.6	-19.9	-33.9	-97.2
Total interest expenses	-42.7	-44.6	-51.9	-183.6
Net interest income	168.0	147.0	148.3	603.6

Note 4 Loans to the general public

Total lending amounts to SEK 23,298 million (20,312 at 31 December 2020). As at 31 March, SEK 1,165.9 million (640.4) of lending to the public involves account credits that are fully covered by pledged cash and cash equivalents in endowment insurance plans and investment savings accounts (ISKs), the lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents.

Lending to the general public is reported after deduction of realized and expected credit losses. At the end of the period, the total provision for expected credit losses amounted to SEK 101.5 million (105.0), including a manual expert reservation of SEK 2.0 million (2.0), due to the uncertainty arising from the coronavirus pandemic. The credit loss provisions are distributed between personal loans, in the amount of SEK 77.1 million (81.8) and margin lending in the amount of SEK 24.4 million (23.2).

Nordnet reports reserves for credit losses on financial assets valued at amortized cost. For all credit products, Nordnet has developed statistical models that consist of a combination of historical, current, future-oriented and macroeconomic data and benchmarks deemed relevant by Nordnet, as well as external data from multiple sources to be able to measure the credit risk and assess the potential risk of default. Measurement of credit exposure and calculation of expected credit

losses are complex and include the use of models that are based on the probability of default, exposure at default and loss given default.

Due to the current uncertainty surrounding the on-going pandemic, the economic situation and customers' future repayment capacity, Nordnet has chosen to maintain the adjusted weighting implemented in the first quarter of 2020, when calculating credit loss provisions for personal and margin loans. The forecasts for the three scenarios – medium, positive and negative are based on different assumptions regarding future unemployment and economic recovery.

Weighting of scenarios for personal and margin loans:

	Scenario	Weight
Before March 2020	Positive	25%
	Medium	50%
	Negative	25%
Since March 2020	Positive	10%
	Medium	20%
	Negative	70%

The model for residential mortgages has also been calculated with stressed scenarios, although, because the effects of this have been very limited, the weighting of the scenarios has not been adjusted. The need for provisions for residential mortgages is calculated with the following weights for scenarios: positive 25%, median 50% and negative 25%.

Credit loss reserve 31/03/2021	Stage 1	Stage 2	Stage 3	Total
Amortized cost	21,097.4	2,174.1	128.1	23,399.6
Provisions for expected credit losses	-20.7	-16.0	-64.8	-101.5
Total lending to the public	21,076.7	2,158.1	63.3	23,298.1

Credit loss reserve 31/12/2020	Stage 1	Stage 2	Stage 3	Total
Amortized cost	18,245.9	2,057.5	113.5	20,416.9
Provisions for expected credit losses	-21.9	-21.3	-61.8	-105.0
Total lending to the public	18,224.0	2,036.2	51.7	20,311.9

Loans, MSEK	31/03/2021	31/12/2020	Change %
Residential mortgage	7,024.2	6,493.2	8.2%
Margin loans	12,265.6	9,822.8	24.9%
Personal loans	4,008.3	3,995.9	0.3%
Total lending to the public	23,298.1	20,311.9	14.7%
whereof credits covered by pledged cash and cash equivalents	1,165.9	640.4	82.1%

For personal loans and margin lending, the future-based scenarios have been adjusted to higher weighting against a negative scenario. The effect of the adjusted weighting for personal loans and margin loans provides an increased amount of loans in stage 2. This means that the general risk level increases even if we do not see any increase of late payers on an individual level.

In addition to the earlier assessment regarding changed probability, Nordnet has seen small real effects regarding credit losses and provisions due to the coronavirus pandemic.

Nordnet has offered temporary repayment relief on residential mortgages in accordance with the possibilities for exemption from repayment requirements announced by the Swedish Financial Supervisory Authority due to the coronavirus pandemic. Only a few of Nordnet's customers have applied for temporary repayment relief, meaning that provisions for residential mortgages have not been affected. As of 31 March 2021, the average loan-to-value ratio for mortgages was 41.7 percent (41.1). Nordnet offers mortgages with a maximum loan-to-value ratio of 60 percent. During the first quarter, housing prices rose throughout the country.

Nordnet does not currently see that the coronavirus pandemic would result in increased credit losses in the future.

Note 5 Group – segments

Jan-Mar 2021					
SEK million	Sweden	Norway	Denmark	Finland	Group
Net commission income	233.9	195.5	270.1	227.4	926.9
Net interest income	107.7	39.9	16.4	4.0	168.0
Net result after financial transactions	-0.4	1.0	-0.3	-0.3	-0.1
Other interest income	7.2	1.4	4.5	5.7	18.8
Total operating income	348.4	237.7	290.7	236.8	1,113.6
Total operating expenses	-108.1	-62.0	-53.6	-56.1	-279.9
Total expenses before credit losses	-108.1	-62.0	-53.6	-56.1	-279.9
Profit before credit losses	240.2	175.7	237.0	180.7	833.7
Credit losses, net	-3.0	-0.8	-0.2	-0.1	-4.1
Operating profit	237.2	174.9	236.8	180.6	829.6
Jan-Mar 2020					
SEK million	Sweden	Norway	Denmark	Finland	Group
Net commission income	173.1	84.4	121.7	114.2	493.5
Net interest income	99.0	42.1	2.8	3.1	147.0
Net result after financial transactions	-0.6	-3.7	-1.2	-2.0	-7.5
Other interest income	4.9	1.3	0.9	4.2	11.3
Total operating income	276.5	124.1	124.1	119.5	644.2
Total operating expenses	-110.5	-55.8	-44.3	-48.3	-258.9
Total expenses before credit losses	-110.5	-55.8	-44.3	-48.3	-258.9
Profit before credit losses	166.0	68.3	79.8	71.3	385.3
Credit losses, net	-15.5	-1.1	-1.1	-0.5	-18.2
Operating profit	150.4	67.2	78.7	70.7	367.1
Jan-Dec 2020					
SEK million	Sweden	Norway	Denmark	Finland	Group
Net commission income	653.4	383.0	539.5	444.9	2,020.7
Net interest income	423.6	142.2	31.7	6.1	603.6
Net result after financial transactions	-0.3	-4.8	-5.0	-4.1	-14.2
Other interest income	30.0	-0.1	11.0	27.8	68.7
Total operating income	1,106.7	520.3	577.1	474.6	2,678.7
Total operating expenses	-473.2	-259.8	-220.7	-239.7	-1,193.4
Total expenses before credit losses	-473.2	-259.8	-220.7	-239.7	-1,193.4
Profit before credit losses	633.5	260.5	356.4	234.8	1,485.3
Credit losses, net	-38.8	-0.1	-0.1	0.2	-38.7
Operating profit	594.8	260.5	356.3	235.0	1,446.6

Note 6 Group – Financial instruments

Categorization of financial instruments

31/03/2021		Fair value through consolidated income statement				
	Amortized cost	Held for trading	Other business models	Fair value through other comprehensive income	Non financial instruments	Total
Assets						
Cash and balances in Central banks	3,279.8	-	-	-	-	3,279.8
Treasury bills and other interest bearing securities eligible for refinancing	20,636.4 ¹	-	-	7,562.7	-	28,199.1
Loans to credit institutions	651.8	-	-	-	-	651.8
Loans to the general public	23,298.1	-	-	-	-	23,298.1
Bonds and other interest bearing securities	679.7	-	-	4,963.5	-	5,643.2
Shares and participations, listed	-	10.0	-	-	-	10.0
Shares and participations, non-listed	-	0.6	-	-	-	0.6
Assets for which customers bear the investment risk ²	2,342.6	-	110,056.9	7,245.8	-	119,645.3
Other assets	3,982.1	-	-	-	1.5	3,983.6
Accrued income	302.5	-	-	-	-	302.5
Total assets	55,173.0	10.5	110,056.9	19,772.0	1.5	185,014.0
Liabilities						
Deposits and borrowing from the general public	55,446.8	-	-	-	-	55,446.8
Liabilities for which customers bear the investment risk	-	-	119,647.5	-	-	119,647.5
Other liabilities	5,366.7	-	-	-	585.6	5,952.3
Accrued expenses	251.3	-	-	-	-	251.3
Total liabilities	61,064.8	-	119,647.5	-	585.6	181,297.9

¹ Market value amounted to SEK 20,715.6 million

² SEK 7,245.8 million refers to reinvestments in bonds and SEK 2,342.6 million refers to liquid assets.

31/12/2020		Fair value through consolidated income statement				
	Amortized cost	Held for trading	Other business models	Fair value through other comprehensive income	Non financial instruments	Total
Assets						
Cash and balances in Central banks	3,100.5	-	-	-	-	3,100.5
Treasury bills and other interest bearing securities eligible for refinancing	20,935.0 ¹	-	-	9,344.6	-	30,279.6
Loans to credit institutions	603.6	-	-	-	-	603.6
Loans to the general public	20,311.9	-	-	-	-	20,311.9
Bonds and other interest bearing securities	1,487.2	-	-	849.2	-	2,336.4
Shares and participations, listed	-	6.6	-	-	-	6.6
Shares and participations, non-listed	-	0.7	-	-	-	0.7
Assets for which customers bear the investment risk ²	2,292.2	-	94,909.6	5,489.5	-	102,691.3
Other assets	7,228.7	-	-	-	12.2	7,240.9
Accrued income	281.4	-	-	-	-	281.4
Total assets	56,240.3	7.3	94,909.6	15,683.3	12.2	166,852.7
Liabilities						
Deposits and borrowing from the general public	52,552.8	-	-	-	-	52,552.8
Liabilities for which customers bear the investment risk	-	-	102,693.3	-	-	102,693.3
Other liabilities	7,976.4	-	-	-	273.2	8,249.6
Accrued expenses	285.7	-	-	-	-	285.7
Total liabilities	60,814.8	-	102,693.3	-	273.2	163,781.4

¹ Market value amounted to SEK 21,013.3 million

² SEK 5,489.5 million refers to reinvestments in bonds and SEK 2,292.2 million refers to liquid assets.

Cont. Note 6 Group – Financial instruments

Determination of fair value of financial instruments

When the Group determines fair values for financial instruments, different methods are used depending on the degree of observability of market data in the valuation and the market activity. An active market is considered either a regulated or reliable trading venue where quoted prices are easily accessible with regularity. An ongoing assessment of the activity is done by analyzing factors such as differences in buying and selling prices.

The methods are divided into three different levels:

Level 1 – Financial assets and financial liabilities valued on the basis of unadjusted listed prices from an active market for identical assets or liabilities.

Level 2 – Financial assets and financial liabilities valued on the basis of input data other than that included in Level 1, either directly (prices) or indirectly (derived from prices) observable. Instruments in this category are valued applying:

- a) Quoted prices for similar assets or liabilities, or identical assets or liabilities from markets not deemed to be active, or
- b) Valuation models based primarily on observable market data.

Level 3 – Financial assets and financial liabilities valued on the basis of observable market data.

The level of the fair value hierarchy to which a financial instrument is classified is determined based on the lowest level of input data that is significant for the fair value in its entirety.

In cases where there is no active market, fair value is determined using established valuation methods and models. In these cases, assumptions that cannot be directly derived from a market can be applied. These assumptions are then based on experience and knowledge about valuation in the financial markets. However, the goal is always to maximize the use of data from an active market. In cases when deemed necessary, relevant adjustments are made to reflect a fair value, in order to correctly reflect the parameters contained

in the financial instruments and to be reflected in its valuation.

For financial instruments recognized at fair value through the income statement, mainly assets where the customer bears the investment risk, fair value is determined based on quoted purchase prices on the balance sheet date for the assets. Liabilities where the customer bears the investment risk receive an indirect asset valuation, which classifies them as Level 2 instruments, with the exception of liabilities relating to insurance contracts not classified as a financial liability.

Forward rate agreements are valued at fair value by discounting the difference between the contracted forward rate and the forward rate available on the balance sheet date for the remaining contract period. The discount rate is the risk-free rate based on government bonds.

The fair value of interest-bearing securities has been calculated by discounting anticipated future cash flows, with the discount rate being set based on the current market interest rate.

Fund units not considered to be traded in an active market at listed prices are measured at fair value based on NAV (net asset value).

For lending and deposits with flexible interest rates, including lending with financial instruments or housing as collateral, which are reported at accrued acquisition value, the carrying amount is considered to be fair value. For assets and liabilities in the balance sheet with a remaining maturity of less than six months, the carrying amount is considered to reflect the fair value.

Financial instruments are recognized at fair value

31/03/2021				
SEK million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	7,562.7	-	-	7,562.7
Bonds and other interest bearing securities	4,963.5	-	-	4,963.5
Shares and participations ¹	10.0	-	0.6	10.6
Assets for which customers bear the investment risk	117,786.2	528.6	1,330.5	119,645.3
Subtotal	130,322.4	528.6	1,331.1	132,182.1
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	3,279.8	-	-	3,279.8
Loans to credit institutions	-	651.8	-	651.8
Loans to the general public	-	23,298.1	-	23,298.1
Treasury bills and other interest bearing securities eligible for refinancing	-	20,715.2	-	20,715.2
Bonds and other interest bearing securities	-	682.4	-	682.4
Other assets	3,982.1	-	-	3,982.1
Accrued income	302.5	-	-	302.5
Subtotal	7,564.4	45,347.5	-	52,911.9
Total	137,886.8	45,876.1	1,331.1	185,094.0
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	119,647.5	-	119,647.5
Total	-	119,647.5	-	119,647.5

¹ Shares and participations at level 3 refers to unlisted shares.

31/12/2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	9,344.6	-	-	9,344.6
Bonds and other interest bearing securities	849.2	-	-	849.2
Shares and participations ¹	6.6	-	0.7	7.3
Assets for which customers bear the investment risk	101,377.5	487.2	826.6	102,691.3
Subtotal	111,577.9	487.2	827.3	112,892.4
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	3,100.5	-	-	3,100.5
Loans to credit institutions	-	603.6	-	603.6
Loans to the general public	-	20,311.9	-	20,311.9
Treasury bills and other interest bearing securities eligible for refinancing	-	21,013.3	-	21,013.3
Bonds and other interest bearing securities	-	1,489.9	-	1,489.9
Other assets	7,228.7	-	-	7,228.7
Accrued income	281.4	-	-	281.4
Subtotal	10,610.6	43,418.5	-	54,029.1
Total	122,188.5	43,905.8	827.3	166,921.6
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	102,693.3	-	102,693.3
Total	-	102,693.3	-	102,693.3

¹ Shares and participations at level 3 refers to unlisted shares.

Cont. Note 6 Group – Financial instruments

Description of valuation levels

Level 1 mainly contains shares, mutual funds, bonds, treasury bills and standardized derivatives where the quoted price has been used in the valuation.

Level 2 contains substantially less liquid bonds valued on curves and liabilities in the insurance operations, the value of which is indirectly linked to a specific asset value valued based on observable input data. For less liquid bond holdings, credit spread adjustments are based on observable market data such as the credit derivatives market. This category includes mutual funds, derivatives and certain interest-bearing securities.

Level 3 contains other financial instruments for which own internal assumptions have a significant effect on the calculation of fair value. Level 3 contains mainly unlisted equity instruments. When valuation models are used to determine fair value of financial instruments in Level 3, the consideration paid or received is considered to be the best assessment of fair value on initial recognition.

When the Group determines the level at which financial instruments are to be reported, each one is individually assessed in its entirety.

Financial instruments are transferred to or from Level 3 depending on whether internal assumptions have changed for the valuation.

Relocation between levels

Financial instruments that have been transferred from level 1 to level 2 during the period amount to SEK 39 million and pertain primarily to shares and participations of SEK 30 million and derivatives of SEK 5 million. The main reason for the transfers from level 1 to level 2 was that the instruments have not been actively traded during the period, with fair value now being calculated

applying valuation methods based on observable market data.

Shares and participations of SEK 3 million have been transferred from level 2 to level 3, with the principal reason for the transfers being a lack of reliable data, for which reason an independent counterparty's theoretical valuation has been used for these instruments.

Shares and participations of SEK 7 million have been transferred from level 3 to level 1, with the principal reason for the transfers being that the instruments were actively traded during the period and reliable price quotations are now therefore available in the market.

Shares and participations of SEK 12 million have been transferred from level 3 to level 2, mainly because it has now been possible to assess instruments previously lacking reliable data by means of an independent counterparty's theoretical assessment.

Note 7 Pledged assets, contingent liabilities and commitments

SEK million	31/03/2021	31/12/2020
Provided collaterals		
Pledged assets and comparable collateral for own liabilities	none	none
Other pledged assets and comparable collateral		
Bonds and other interest bearing securities ¹	3,033.2	3,369.2
<i>of which deposits with credit institutions</i>	2,486.0	2,784.4
<i>of which deposits with clearing organisations</i>	547.2	584.8
Obligations		
Contingent liabilities	34.2	33.1
Commitments		
Credit granted but not yet paid, unsecured loans ²	547.6	497.3
Funds managed on behalf of third parties		
Client funds	106.9	127.4

¹The amount includes restricted cash of SEK 579 (319 as at 31 December 2020), mainly provided collaterals with clearing institutes, central banks and the stock exchange.

² The amount includes granted, unpaid mortgages of SEK 462.4 (427.0) million.

As of 31 March 2021, the insurance business held registered assets amounting to SEK 119,645 (102,691 as at 31 December 2020) million to which the policyholders have priority rights.

Note 8 Capital adequacy information

Disclosures in this note are provided in accordance with the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) regarding annual reports in credit institutions and securities companies and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) regarding supervisory requirements and capital buffers. Other required disclosures in accordance with Regulation (EU) 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and investment firms ("the supervisory regulation") and regulations supplementing the supervisory regulation are provided on the Nordnet website; see www.nordnetab.com.

Capital base and capital requirement of the financial conglomerate

The financial conglomerate comprises Nordnet AB (publ) and all its subsidiaries. The capital base and capital requirement have been calculated in accordance with the consolidation method.

The capital requirement for units in the Insurance operations is affected by the policyholders' assets. The capital requirements for the banking operations vary primarily in terms of the size and credit quality of the bank's exposures. Solvency capital requirements and capital base are calculated according to the standard model under Solvency II. As a consequence of the solvency rules, the item Solvency capital, which refers to the estimated future present value of the insurance companies (Nordnet Pensionsförsäkring AB) including the subsidiary Nordnet Livsförsäkring AS) includes cash flows generated by the policyholders' capital.

Cont. Note 8 Capital adequacy information

The financial conglomerate

SEK million	31/03/2021	31/12/2020
Capital base after regulatory adjustments	4,601.3	4,344.1
Capital requirement	3,789.1	3,680.7
Excess capital	812.2	663.4
The financial conglomerate's capital ratio	1.2	1.2

From June 30, 2019, Solvency II figures are reported with one quarter delay.

Capital base and capital requirements for the consolidated situation

The consolidated situation consists of Nordnet AB (publ) and Nordnet Bank AB. Consequently, the difference between the financial conglomerate and the consolidated situation is that the financial conglomerate also consolidates the insurance operations.

Nordnet applies the standard method for calculating capital requirements for credit risk. Capital base requirement for exchange rate risk comprises all items in and outside the balance sheet measured at current market value and converted to Swedish kronor at the balance sheet date. Capital base requirements for operational risk are calculated according to the base method, which implies that the capital requirement amounts to 15 percent of the average operating income for the last three financial years.

The capital base shall cover minimum capital requirements and the combined buffer requirement, as well as supplemental Pillar 2 requirements. Net profit for the first quarter of 2021 is included since the external auditors have verified the profit and permission has been obtained from the Swedish Financial Supervisory Authority.

Internally assessed capital requirement

In accordance with the EU directive on capital adequacy 2013/36/EU Article 73 and the Swedish Financial Supervisory Authority regulations (FFFS 2014:12) regarding supervisory requirements and capital buffers, Nordnet evaluates the total capital requirements that were the result of the bank's annual internal capital adequacy assessment (ICAAP) with the aim of identify-

ing significant risks to which the bank is exposed and to ensure that the bank has adequate capital.

The ICAAP is based on Nordnet's business plan, current and future regulatory requirements and scenario-based simulations and stress tests. The results are reported to the Board annually and form the basis of the Board's capital planning.

Nordnet has calculated the internal capital requirement for the consolidated situation to be SEK 893.8 million (943.1 as of 31 December 2020). This is considered to be a satisfactory capital situation with regard to the activities that Nordnet conducts. Nordnet's internal assessment of the capital requirement is not entirely comparable with the estimated capital requirement that the Swedish Financial Supervisory Authority publishes quarterly.

In addition to what is stated in this interim report, Nordnet's risk management and capital adequacy is described in more detail in Nordnet's annual report for 2020 and on the Nordnet website; see www.nordnetab.com.

Cont. Note 8 Capital adequacy information

The consolidated situation

SEK million	31/03/2021	31/12/2020
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	6,691.2	6,691.2
Retained earnings	-3187.2	-4323.6
Accumulated other comprehensive income (and other reserves)	150.0	164.3
Independently reviewed interim profits net of any foreseeable charge or dividend	-203.1	731.6
Common Equity Tier 1 (CET1) capital before regulatory adjustments	3,450.8	3,263.4
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-19.8	-15.7
Intangible assets (net of related tax liability)	-828.9	-796.1
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	-	-
Deferred tax assets arising from temporary differences	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-848.7	-811.8
Common Equity Tier 1 (CET1) Capital	2,602.1	2,451.6
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts	500.0	500.0
of which: classified as equity under applicable accounting standards	500.0	500.0
Additional Tier 1 (AT1) capital	500.0	500.0
Tier 1 capital (T1 = CET1 + AT1)	3,102.1	2,951.6
Tier 2 (T2) capital	-	-
Total capital (TC = T1 + T2)	3,102.1	2,951.6
Total risk weighted assets	14,300.4	13,518.2
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	18.2%	18.1%
Tier 1 (as a percentage of total risk exposure amount)	21.7%	21.8%
Total capital (as a percentage of total risk exposure amount)	21.7%	21.8%
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	7.1%	7.1%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	0.1%	0.1%
of which: systemic risk buffer requirement	-	-
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	13.7%	13.6%
Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	126.5	126.5

Information is provided only for the buffer requirements that have come into effect.

Cont. Note 8 Capital adequacy information

Consolidated situation

SEK million	31/03/2021		31/12/2020	
Risk weighted exposures				
Exposure to credit risk according to the standardized method	10,802.2		10,075.8	
of which exposures to institutions	690.4		677.5	
of which exposures to corporates	821.0		617.3	
of which retail exposures	4,071.5		3,846.3	
of which exposures secured by mortgages on immovable property	1,586.9		1,452.0	
of which in default	91.0		69.5	
of which exposures in the form of covered bonds	2,619.8		2,432.3	
of which equity exposures	403.0		393.9	
of which regional governments or local authorities	-		70.1	
of which other items	518.7		516.8	
Exposures market risk	92.9		37.2	
Exposure operational risk	3,405.3		3,405.3	
Total risk weighted exposures	14,300.4		13,518.2	
Capital requirement				
Credit risk according to the standardized method	864.2	6.0%	806.1	6.0%
Market risk	7.4	0.1%	3.0	0.0%
Operational risk	272.4	1.9%	272.4	2.0%
Capital requirement Pillar 1	1,144.0	8.0%	1,081.5	8.0%
Credit risk in government exposures	0.5	0.0%	0.5	0.0%
Concentration risk	78.7	0.6%	76.3	0.6%
Market risk excluding interest rate risk	5.5	0.0%	5.0	0.0%
Interest rate risk	118.0	0.8%	182.4	1.3%
Credit spread risk	623.5	4.4%	615.6	4.6%
Estimated Pillar 2-guidance	67.6	0.5%	63.3	0.5%
Capital requirement Pillar 2	893.8	6.3%	943.1	7.0%
Buffer requirement	375.8	2.6%	355.3	2.6%
Total capital requirement, incl. buffer requirement	2,413.7	16.9%	2,379.9	17.6%

This table shows capital requirement in MSEK and as a percentage of risk weighted exposures.

Leverage ratio

The Leverage ratio measures a bank's core capital relative to its total assets and is expressed in percentage. From June 28 2021, a binding minimum requirement of 3.0 percentage for Leverage ratio will be introduced. In addition to the minimum requirement, the Swedish Financial Supervisory Authority propose a Leverage ratio guidance buffer which must be met with CET1 capital in

order to be able to absorb potential losses in best possible way. Currently the Swedish Financial Supervisory Authority estimate that the guidance buffer will amount to approximately 0.2-0.5 percentage of the total assets for Leverage ratio. Nordnet considers itself well prepared to handle such a requirement and is actively working to monitor and manage its Leverage ratio.

Leverage ratio	31/03/2021
Consolidated situation	4.0%
Nordnet Bank AB	3.8%

Note 9 Earnings per share

SEK million	3 months Jan-Mar 2021	3 months Jan-Mar 2020	3 months Oct-Dec 2019	12 months Jan-Dec 2020
Earning per share before and after dilution				
Profit for the period	665.9	301.3	292.0	1,172.7
Interest on Tier 1 capital recognised in equity ¹	-8.6	-8.7	-10.2	-36.3
Profit attributable to shareholders of the Parent Company	657.3	292.7	281.8	1,136.5
Earning per share before dilution²	2.63	1.17	1.13	4.55
Earning per share after dilution²	2.62	1.17	1.13	4.55
Average number of shares before dilution	250,000,000	250,000,000	250,000,000	250,000,000
Average number of shares after dilution	250,721,982	250,000,000	250,000,000	250,000,000
Number of outstanding shares before dilution	250,000,000	250,000,000	250,000,000	250,000,000
Number of outstanding shares after dilution	255,980,549	250,000,000	250,000,000	250,000,000
¹ Including interest for the period and accrued transaction costs, net after tax	-0.1	-0.1	-0.1	-0.5

² The calculation of earnings per share is based on the Group's profit for the period attributable to the shareholders of the Parent Company and on the weighted average number of shares for the period. When calculating the earning per share after dilution, the average number of shares is adjusted to consider the effect of dilution from potential ordinary shares. During the reporting period, these shares derives during the reported period from outstanding issued warrants attributable to Nordnet's share-based incentive program.

Signatures of the Board of Directors.

The Board and CEO provide their assurance that this interim report for the period January-March 2021 provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.

This report has not been reviewed by the Company's auditors.

Stockholm 28 April 2021

Tom Dinkelspiel
Chairman of the Board

Anna Bäck
Board member

Jan Dinkelspiel
Board member

Christopher Ekdahl
Board member

Karitha Ericson
Board member

Christian Frick
Board member

Hans Larsson
Board member

Per Widerström
Board member

Lars-Åke Norling
CEO

For further information, please contact:

Lars-Åke Norling, CEO
lars-ake.norling@nordnet.se

Johan Tidestad, Chief Communications Officer
+46-708 875 775, johan.tidestad@nordnet.se

Address and contact details

Head office: Alströmergatan 39
Postal address: Box 30099, SE-104 25 Stockholm, Sweden
Phone: +46 10 583 30 00, e-mail: info@nordnet.se
Company registration number: 559073-6681
Website: nordnetab.com
Become a customer: nordnet.se, nordnet.no, nordnet.dk, nordnet.fi

This is information that Nordnet AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 8.00 a.m CET on 29 April 2021.

Definitions.

Alternative Performance Measures (APM) are financial measures of historical or future earnings development, financial position or cash flow that are not defined in applicable reporting regulations (IFRS) or in the fourth capital requirement directive (CRD IV) or in the EU capital requirement regulation no. 575/2013 (CRR) or the EU's Solvency II directive 2015/35. Nordnet uses alternative key performance measures when it is relevant to describe our operations and monitor our financial situation. These measures are not directly comparable with similar key indicators presented by other companies. Disclosures regarding financial measures not defined in IFRS but stated outside of the formal financial statements, "alternative performance measures", are presented in the note references below.

Number of trades¹

A registered transaction on the stock exchange or in the marketplace. Orders sometimes involve several trades.

Number of transactions per trading day¹

Number of trades during the period divided by the number of trading days in Sweden during the period.

Number of trading days¹

Number of days on which the relevant exchanges are open.

Number of full-time employees at end of period¹

Number of full-time positions, including fixed-term employees, but excluding staff on parental leave and leaves of absence, at the end of the period.

Number of customers¹

Number of natural persons and legal entities who hold at least one account with a value of SEK 0 or more, or who had an active credit commitment at the end of the period.

Return on equity (annualized)^{2,4}

Return on equity calculated as the period's annualized accumulated profit in relation to the average of equity over the corresponding period. The average of equity is calculated based on opening, quarterly and closing equity for the period in question.

Leverage ratio²

Tier 1 capital as a percentage of the total exposure amount.

Cash market²

Cash market refers to trade in shares, warrants, ETFs, certificates, bonds and similar instruments.

Equity excluding intangible assets¹

Total equity less intangible assets.

Average savings capital per customer – rolling 12 months²

The average quarterly savings capital per customer for the current period (calculated as the average quarterly savings capital per customer that includes the opening KPI at the beginning of the current period and the closing KPI at the end of every quarter that is included in the current period).

Cash deposits at end of period²

Deposits and borrowing from the public including deposits attributable to liabilities in the insurance operations at end of period.

Adjusted return on equity (annualized)^{2,4}

Return on equity calculated as the period's annualized adjusted accumulated profit in relation to the average of equity over the corresponding period. The average of equity is calculated based on opening, quarterly and closing equity for the period in question.

Adjusted return on equity excluding intangible assets (annualized)^{2,4}

Return on equity calculated as the period's annualized adjusted accumulated profit excluding amortization related to acquisitions in relation to the average of equity excluding intangible assets over the corresponding period. The average of equity excluding intangible assets is calculated based on opening, quarterly and closing equity for the period in question.

Adjusted operating income in relation to savings capital²

Adjusted operating income (annualized, when relevant) in relation to the average quarterly savings capital for the same period (calculated as the average quarterly savings capital that includes the opening amount at the beginning of the current period and the closing amounts at the end of each quarter that is included in the current period).

Adjusted C/I ratio %

Adjusted operating expenses before credit losses in relation to adjusted operating income.

Adjusted operating expenses in relation to savings capital²

Adjusted operating expenses before credit losses (annualized, when relevant) in relation to the average quarterly savings capital for the same period (calculated as the average quarterly savings capital that includes the opening amount at the beginning of the current period and the closing amounts at the end of each quarter that is included in the current period).

Adjusted profit²

Profit for the period adjusted for items affecting comparability over the period.

¹ Financial key figures that are directly reconcilable with the financial statements.

² Financial key figures that can be deduced from historical financial data published quarterly at <https://nordnetab.com/sv/om/finansiell-information/>

³ Definitions according to IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and according to the EU's Solvency II directive 2015/35

⁴ Annualization is calculated as the denominator for the period divided by the quotient of the number of quarters in the period and the number of quarters per year.

Adjusted profit before amortization of intangible assets in purchase consideration allocation²

The profit for the period after tax adjusted for items affecting comparability and excluding amortization of intangible assets from acquisitions of companies (purchase consideration allocation). Items affecting comparability have illustratively been taxed at an assumed tax rate of 20 percent insofar as such items affecting comparability are deductible and/or give rise to a tax expense. The amortization of the purchase consideration allocation is not deductible and has accordingly not been illustratively taxed.

Adjusted profit before amortization of intangible assets in purchase consideration allocation per share before and after dilution²

The profit for the period after deduction of interest on additional Tier 1 capital adjusted for items affecting comparability and excluding amortization of intangible assets from acquisitions of companies (purchase consideration allocation) per share before and after dilution.

Adjusted operating income²

Total operating income adjusted for items affecting comparability over the period.

Adjusted operating expenses before credit losses²

Expenses before credit losses, adjusted for items affecting comparability over the period.

Adjusted operating margin²

The adjusted operating profit in relation to adjusted operating income.

Adjusted operating profit²

Profit for the period adjusted for items affecting comparability. Items affecting comparability are items reported separately due to their nature and amount.

Capital base³

The sum of Core Tier 1 capital and Tier 2 capital.

C/I ratio excluding operating losses¹

Total expenses before credit losses in relation to total operating income.

Core Tier 1 capital³

Equity excluding unrevised earnings, proposed dividend, deferred taxes and intangible assets and some further adjustments in accordance with the EU capital requirements regulation no. 575/2013 (CRR) and EU 241/2014.

Core Tier 1 capital ratio³

Core tier 1 capital divided by total risk-weighted exposure amount.

Net savings²

New deposits of cash and cash equivalents and securities, less withdrawals of cash and cash equivalents and securities.

Traded value cash market²

Cash market refers to trade in shares, warrants, ETFs, certificates, bonds and similar instruments.

Earnings per share²

Profit for the period, including interest on additional Tier 1 capital and associated periodized transaction expenses net after tax recognized in equity, in relation to weighted average number of ordinary shares before and after dilution.

Operating costs³

Operating expenses before credit losses.

Operating margin¹

Operating profit in relation to total operating income.

Savings capital²

Total of cash and cash equivalents and value of securities for all active accounts.

Savings ratio²

Net savings over the past 12 months as a percentage of savings capital 12 months ago.

Total capital ratio²

Total capital base in relation to risk-weighted exposure amount.

Lending/deposits²

Lending to the public at the end of the period in percentage of deposits from the public at the end of the period.

Lending excluding pledged cash and equivalents²

Lending to the public, excluding lending through account credits that are fully covered by pledged cash and cash equivalents on endowment insurance plans and investment savings accounts (ISAs), where the lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents.

Lending at end of period²

Lending to the public at the end of the period.

Profit margin¹

Profit for the period in relation to operating income.

Annual customer growth²

Annual growth rate in customers over the period.

¹ Financial key figures that are directly reconcilable with the financial statements.

² Financial key figures that can be deduced from historical financial data published quarterly at <https://nordnetab.com/sv/om/finansiell-information/>

³ Definitions according to IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and according to the EU's Solvency 2 directive 2015/35

⁴ Annualization is calculated as the denominator for the period divided by the quotient of the number of quarters in the period and the number of quarters per year.

Nordnet AB (publ)
Box 30099, SE-104 25 Stockholm, Sweden
Head office: Alströmergatan 39
Tel: 010 583 30 00, e-mail: info@nordnet.se
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