



Nordnet AB (publ)

Interim Report.

January-June 2021.

The quarter in brief.

“The summer season is here and Nordnet is in good shape. For the second quarter, we can present strong financial earnings, have good growth for all customer-related key financial figures, and feel a strong trust from the Nordic private savers.”

Lars-Åke Norling, CEO Nordnet

Customer growth in the last 12 months:

38% (25%)

Adjusted operating profit SEK ¹ , 535.7 million (380.1)	Operating income SEK 830.1 million (650.3)
Adjusted operating expenses ¹ SEK 283.5 million (260.2)	Earnings per share after dilution SEK 1.72 (1.17)
Net savings SEK 22.4 billion (13.4)	Savings capital at 30 June; SEK 703 billion (425)
Lending at 30 June; SEK 23.2 billion (16.1)	New customers 86,600 (66,800)

The figures above refer to April-June 2021 unless otherwise stated. The comparative figures in parentheses refer to the corresponding period in 2020.

- Continued high customer growth; the customer base grew 38 percent in one year
- The savings capital reached new record levels and surpassed SEK 700 billion; continued high net savings
- Stable growth in lending; the loan volume is at a new high
- Strong development for the mutual fund business – the fund capital increased by 65 percent in one year, launch of a tech fund and ESG classification of index funds
- The second best financial results in Nordnet's history – an operating profit of SEK 536 million
- Expenses for full-year 2021 are expected to end up at around SEK 40 million higher than previously communicated due to strong customer growth and increased expenses within marketing
- Revised financial targets in the medium term will be presented no later than in connection with the interim report for the fourth quarter

MSEK	Q2 2021	Q1 2021	Change %	Q2 2020	Change %	Jan-jun 2021	Jan-jun 2020	Change %	Q3 2020 - Q2 2021
Operating income	830.1	1,113.6	-25%	650.3	28%	1,943.7	1,294.5	50%	3,327.9
Operating expenses	-283.5	-279.9	1%	-271.2	5%	-563.4	-530.1	6%	-1,226.7
Credit losses	-10.9	-4.1	166%	-10.0	9%	-15.0	-28.2	-47%	-25.5
Operating profit	535.7	829.6	-35%	369.1	45%	1,365.3	736.2	85%	2,075.7
Profit after tax	440.4	665.9	-34%	302.0	46%	1,106.2	603.3	83%	1,675.6
Earnings per share before dilution (SEK)	1.73	2.63	-34%	1.17	47%	4.36	2.34	86%	6.56
Earnings per share after dilution (SEK)	1.72	2.62	-34%	1.17	47%	4.34	2.34	85%	6.54
Income in relation to savings capital	0.49%	0.73%	-0.24%	0.67%	-0.18%	0.61%	0.66%	-0.05%	0.59%
Operating margin %	65%	74%	-10%	57%	8%	70%	57%	13%	62%
Adjusted operating expenses ¹	-283.5	-279.9	1%	-260.2	9%	-563.4	-519.1	9%	-1,108.4
Adjusted operating profit ¹	535.7	829.6	-35%	380.1	41%	1,365.3	747.2	83%	2,194.0
Adjusted operating margin %	65%	74%	-10%	58%	6%	70%	58%	13%	66%
Adjusted earnings per share pre amortization of intangible assets due to PPA before dilution (SEK)	1.76	2.66	-34%	1.24	41%	4.41	2.45	80%	7.06
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	1.75	2.65	-34%	1.24	41%	4.40	2.45	79%	7.05
Total number of customers	1,475,300	1,388,700	6%	1,069,200	38%	1,475,300	1,069,200	38%	1,475,300
Net savings (SEK billion)	22.4	27.0	-17%	13.4	67%	49.4	37.2	33%	94.3
Savings capital at the end of the period (SEK billion)	703.4	647.8	9%	424.6	66%	703.4	424.6	66%	703.4
Average savings capital per customer SEK	471,800	464,600	2%	376,300	25%	469,000	393,300	19%	449,000

¹ For items affecting comparability, see page 13.

For definitions of key performance indicators, refer to pages 35-36.

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 take their savings to the next level.

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 purpose 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.

Medium-term financial targets¹

- Annual customer growth in a range of 10-15 percent, in line with the average growth rate over the last 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;

Our product areas

Savings and investments

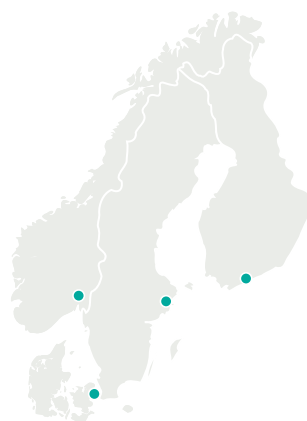
Nordnet's core business is saving and investments. Our customers can save and invest in shares, funds and other kinds of securities at low fees in several markets. We offer a number of different interfaces in the form of the web, the app and more advanced applications. The less-active savers can also 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 290,000 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.



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

Comments from the CEO.



Time to summarise the second quarter. The summer season is here and Nordnet is in good shape. We can present strong financial earnings, have good growth for all customer-related key financial figures, and enjoy extensive confidence from the Nordic private savers.

The underlying factors in our business are developing well – the customer base has grown by 38 percent in one year, and in total, nearly 1.5 million Nordic private individuals have now chosen Nordnet as their personal finance partner. Our operations in Norway, Denmark and Finland are continuing to show fantastic development, and our Swedish operation has a positive trend with higher growth than before. Our customer's savings capital on a Nordic basis is now over SEK

700 billion, which is 66 percent higher than in the corresponding period last year; a combination of strong net savings and a positive stock market. The savings ratio, meaning net savings in the last 12 months divided by the savings capital one year ago, is a high 22 percent. The loan portfolio is showing stable growth, and has grown by 44 percent in one year.

The number of transactions is 13 percent higher than in the second quarter of 2020, but lower in relation to the previous three-month period. There are several explanations for the latter. On one hand, there is a seasonal effect, where the beginning and the end of the year are traditionally stronger than the middle period. In addition, the volatility – the fluctuations on the market – was significantly lower in the second quarter than previously, which had a damping effect on the number of transactions. However, the fact that our customer base is growing at a rapid pace has a positive impact on trading activity in general, and during the period April-June 2021, we saw a more than 50-percent increase in the number of customers who were active in the stock market compared with the same period last year.

“For the quarter, we can present an operating profit of SEK 536 million, which is the second best ever for a single three-month period, and 45 percent better than the same period in 2020.”

For the quarter, we can present an operating profit of SEK 536 million, which is the second best ever for a single three-month period, and 45 percent better than the same period in 2020. Behind this result is an income growth of 28 percent combined with a cost increase of 9 percent. For full-year 2021, we see that our costs will end up at around SEK 40 million higher than the level previously communicated at SEK 1,097 million, and we are accordingly making an adjustment of our financial targets that concern expenses. The reason for the higher costs is, above all, that our strong customer growth, where more than 400,000 new savers joined in the past year alone, requires more resources in the form of more personnel in customer service and back-office, among other areas. We have also increased investments

in marketing. In this context, it is worth noting that our annual customer growth at the end of June was 38 percent, compared with the level of 10-15 percent that was communicated in our financial targets, and that our cost level measured in relation to savings capital is significantly lower than one year ago. Our total expenses in the past 12-month period divided by the average savings capital in the same period amounted to 0.20 percent in June 2021, and was 0.29 percent at the corresponding point in time last year. We are also at a clearly better level than was communicated for our financial targets that pertain to average savings capital per customer and income in relation to savings capital. We intend to come back with updated financial targets in the medium term no later than in connection with our report for the fourth quarter.

The fact that 1.5 million Nordic private individuals entrust us with their savings capital every day sets extensive requirements on our ability to deliver high quality services and products. Our overall promise to our customers is to build the world's best platform for savings and investments. Built into this promise is to never rest on our laurels, but to instead constantly be in motion, ready to listen to the consumers' requests, to follow relevant global trends and to translate them into useful tools for the savers. In the second quarter, we implemented a number of improvements to our platform, including log-in by QR code, buy and sell markers in the app, an improved service for subscriptions to extra services, expanded information on currency exchanges and the relaunch of a Swedish-language site in Finland. We have also continued to automate and digitalize the process around moving pension savings.

Share trading is our core and our origin, but mutual funds are becoming an increasingly important business area. Saving in mutual funds creates long-term return for the savers and stable revenues for Nordnet. Compared with the end of the second quarter in 2020, our savings capital in mutual funds grew by 65 percent, and the income from the area grew by 55 percent. At the end of May, we launched one of the Nordic region's first tech index funds – Nordnet Index Fund Technology – in all four of our markets. The fund follows the well-established index MSCI World Information Technology, which is comprised of 185 of the world's largest tech companies. The annual fee for the fund is a low 0.40 percent, compared with the average in the market for technology funds, which in the Nordic countries is at around 1.8 percent. Our new fund combines two of the savers' favourite phenomena in the financial market – index management and tech companies – and the savers can now easily obtain a broad and

inexpensive exposure to an interesting sector. We have also sustainability-adapted the management of our four international index funds such that we have changed the underlying index to their ESG-adapted equivalent. The funds are thereby compatible with Article 8 of the SFDR, the EU's regulations for sustainable investments; a stamp of quality and a marker that makes the funds currently relevant to a broader circle of investors.

Nordnet is always on the savers' side.

This not only comes to expression in our ambitions regarding products and service, but also in the public

debate. During the quarter, it became known that a working group within the Social Democratic Party, under the direction of Minister for Finance Magdalena Andersson, wanted to raise taxes on savings. What was concretely investigated was the introduction of a maximum ceiling of SEK 100,000 or SEK 200,000 for the savings form of investment savings accounts (ISK). We at Nordnet, mainly through our savings economist Frida Bratt, have engaged in the issue in various ways, and argued for the view that savings should be encouraged instead of punished, and that the rules for the savers must be long-term and foreseeable. Among other things, Frida organized a petition against the proposal, which had gathered more than 40,000 signatures in a short period of time. In the wake of the public debate, most parliamentary parties have engaged in the issue concerning the conditions for ISKs, and proposals have been made from many places that seek to improve matters for savers in different ways – very encouraging!

A big thanks to all of you who are customers of Nordnet or have invested in our company as shareholders, and not least a big thanks to my fantastic colleagues. Now, we will allow ourselves some well-deserved time off in order to come back well-rested after the holiday. This autumn, we have several exciting things on the way for those of you who have your savings with Nordnet.

Wishing you a continued nice summer!



Lars-Åke Norling
CEO, Nordnet

"Nordnet is always on the savers' side. This not only comes to expression in our ambitions regarding products and service, but also in the public debate."

Operations.

Events in the second quarter

The financial markets

During the second quarter of the year, the stock market continued to make stable gains. The roll-out of vaccines against the coronavirus has continued to accelerate in the developed countries, primarily in Europe, which is now beginning to approach the same levels as in the U.S. During the summer, restrictions have begun to be lifted around the world, which leads to a higher economic activity. At the same time, there is concern that new variants of the coronavirus may lead to a new wave of infection with new lockdowns as a result. However, for the second quarter, the majority of the economic indicators point to a positive development. Above all, the purchasing managers' index (PMI) has reached high levels in many regions. All indications are that a strong recovery has taken place in recent months and that this trend will be lasting. However, the rapid recovery has resulted in increased inflation in several countries. In the U.S., the consumer price index has risen by 5 percent and the American Federal Reserve has become slightly less focused on promoting economic growth and a little more focused on staving off inflation worries.

American shares provided a return of nearly 9 percent during the quarter, driven by a broad upswing and

recovery in the technology sector after a weaker first quarter. President Biden's initiative to strongly increase U.S. investments in infrastructure also had positive effects on the stock market. European shares were not far behind after an increase of 7 percent in broad indexes. In the interest-rate market, investors sold government bonds and sought returns and inflation protection in emerging market bonds, credits and inflation-proof bonds. Oil continued to rise and surpassed USD 70 per barrel, the highest price in nearly three years.

All of the Nordic stock exchanges had a positive quarter. The Danish OMXC25 was the quarter's winner and rose by 12 percent. The Finnish OMXH25 was not far behind and closed out the period up 8 percent, far ahead of its neighbouring countries Norway and Sweden, whose general indexes rose by 6 percent and 3 percent, respectively. The clearly different development during the quarter strengthens the picture that the countries are in different phases in the recovery after the pandemic. In Denmark, analysts are talking about an impending overheating, with a shortage of both labour and raw materials. In Sweden, the recovery lost speed and did not reach the anticipated levels at the same time that we saw extensive uncertainty regarding the parliamentary situation with a vote of no confidence against the Prime Minister and a govern-

Market shares local stock exchanges ¹	Q2 2021		Q1 2021		Q2 2020	
Countries	No. of trades	Turnover	No. of trades	Turnover	No. of trades	Turnover
Sweden (Nasdaq Stockholm)	5.0%	4.0%	5.4%	4.1%	5.0%	3.5%
Norway (Oslo Stock Exchange) ²	n/a	9.2%	n/a	11.4%	13.2%	8.9%
Denmark (Nasdaq Copenhagen)	6.1%	4.7%	6.7%	5.3%	6.0%	4.6%
Finland (Nasdaq Helsinki)	10.0%	5.0%	11.9%	5.9%	11.8%	6.2%

Trading information, Group ³	Q2 2021	Q1 2021	Q2 2020
Traded value cash market (SEK million)	416,200	573,900	371,700
Total number of trades	16,301,000	22,734,000	14,474,600
whereof cross-border trading %	29%	34%	23%
Average number of trades per day	274,700	365,700	246,600

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 As of Q1 2021, only Nordnet's market share of the volume on the Oslo Stock Exchange is reported as data for the number of transactions is not 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 per market divided by the number of trading days on which the respective stock exchange was open.

ment crisis at the end of the quarter. In Norway, things are beginning to return to normal and a number of interest rate hikes are expected beginning as early as this autumn. Altogether, the Nordic countries are gradually opening up, and both the labor market and exports are again gaining speed.

Development of Nordnet's operations

Nordnet's operations are showing strong growth for all customer related key financial figures in the second quarter and we can present our second best financial results ever.

The activity in the second quarter remained high albeit slightly lower than the previous quarter. Nordnet's customers made a total of 16.3 million trades in the second quarter of 2021, which is 13 percent more than the same quarter of the previous year. The number of trades outside the customers' home markets was 29 percent.

The annual customer growth was 38 percent, where Norway and Denmark accounted for the highest growth at 60 percent and 84 percent, respectively. The Finnish customer base grew by 32 percent in the past 12 months and Nordnet's Swedish customer base grew by 13 percent. The number of savers on Nordnet's platform on 30 June 2021 amounted to 1,475,300.

Net savings for the second quarter amounted to SEK 22.4 billion. At 30 June, savings capital amounted to a record SEK 703.4 billion, an increase by 66 percent compared with one year ago. The savings ratio, meaning net savings during the year divided by savings capital 12 months back, amounted to 22 percent.

Our total loan portfolio amounted to SEK 23.2¹ billion, which is a new record high and an increase by 44 percent since 30 June of last year. The largest increase was in margin lending, where the volume increased by 69 percent compared with June of last year. The lending volume in Nordnet's residential mortgages increased by 44 percent compared with 12 months ago and at the end of the second quarter, a new record high was reported at SEK 7.6 billion. The volume in personal loans is essentially unchanged. During the second quarter, deposits increased slightly compared with the previous quarter and amounted to SEK 67 billion at 30 June 2021.

The Norwegian occupational pension account "Egen Pensjonskonto (EPK)", which has been on the market since year-end, continues to attract both new customers and savers. Nordnet's market share of the Norwegian private individuals who actively chose a provider for their EPK savings amounted to 23.5 percent at the end of June. At the beginning of the quarter, 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. The number of cases to move pension savings to Nordnet has subsequently increased by 50 percent. We have also developed a new digital transfer service with the aim of simplifying and automating the process.

During the quarter, with our Swedish savings economist Frida Bratt leading the way, we advocated against a proposal on higher taxes on savings from a working group within the Social Democratic Party. We organized a petition against the proposal, which had gathered more than 40,000 signatures in a short period of time. On 1 June, we broadcast the eighth episode of Nordnet

January - June	Sweden		Norway		Denmark		Finland		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Number of customers	430,800	381,200	311,000	194,900	291,900	158,600	441,600	334,500	1,475,300	1,069,200
Savings capital SEK billion	298.6	180.9	115.6	63.2	150.6	91.5	138.6	89.0	703.4	424.6
of which shares/ derivatives/bonds	203.7	110.4	72.5	36.9	117.9	66.8	111.7	69.5	505.8	283.5
of which funds	67.2	44.9	32.6	17.1	19.0	10.9	12.0	6.4	130.7	79.3
of which deposits	27.7	25.6	10.6	9.2	13.8	13.9	14.8	13.1	66.8	61.8
Number of trades	14,084,400	11,519,600	9,865,000	6,332,300	7,731,100	4,682,900	7,354,500	6,066,700	39,035,000	28,601,500
Whereof cross-border trading %	16%	11%	31%	22%	55%	44%	40%	25%	32%	22%
Net savings (SEK million)	11.1	6.9	12.7	8.5	18.0	10.4	7.6	11.5	49.4	37.2
Margin lending (SEK billion) ¹	4.3	2.6	2.4	1.2	2.2	1.3	2.6	1.6	11.5	6.8
Mortgage (SEK billion)	7.6	5.3							7.6	5.3
Personal loans (SEK billion)	4.0	4.0							4.0	4.0

¹Lending excluding pledged cash and equivalents

Live, a digital production where we took the pulse of Swedish business leaders and politicians.

Nordnet has served as the distributor in a record number of IPOs in the second quarter, and interest among the savers in new companies that are listed is high. Among Nordnet's Finnish customers, around 40 percent of all IPOs are subscribed for in the relatively new tax-efficient share savings account, which is a service that not all banks offer.

Regardless of the starting point or earlier knowledge, our customers shall be able to take their savings to the next level with the help of our platform. Nordnet's ambition is high and we are continuously building further to create the best platform for savings and investments. In the second quarter, we shut down our old sites in Sweden, Norway and Denmark. The same will take place in Finland in the autumn where the preparations consist, among other things, of making our Finnish website bilingual. An initial version is already out for our Swedish-speaking Finnish customers. During the quarter, we also presented a number of new features on the platform, including a new, more customer-friendly subscription function for supplemental services, log-in by QR code and an updated share list with information on the company calendar to name a few. In the product area, we launched Nordnet Index Fund Technology and ESG certified our international index funds.

Consolidated net profit

April – June 2021

(April – June 2020)

Operating income amounted to SEK 830.1 million

(650.3), which is 28 percent higher than the second quarter of 2020.

Net commission income increased by SEK 104.3 million to SEK 584.8 million (480.6). The transaction-related income increased by 15 percent compared with the second quarter of 2020, which is mainly a result of more customers and transactions, and that the share of trades outside the customer's home market increased from 23 to 29 percent. In addition, net commission income and the non-transaction-related revenues also increased as a result of 73 percent higher average mutual fund assets compared with the second quarter of 2020. Net interest income increased by SEK 27.0 million to SEK 183.2 million (156.3). Increased income from margin lending, residential mortgages and Nordnet's stock lending program makes a positive contribution, but at the same time, the increase in net interest income is held back by a lower return on surplus liquidity. Other income increased by SEK 35.4 million to SEK 53.2 million (17.8). The increase is mainly attributable to income associated with IPOs.

Adjusted operating expenses amounted to SEK 283.5 million (260.2). The increase is mainly attributable to more employees as a result of high customer growth. In addition, costs for marketing increased, but are somewhat countered by lower costs for consultants. No items affecting comparability were charged to earnings during the period. In the year-before period, items affecting comparability amounted to SEK 11 million. Operating expenses amounted to SEK 283.5 million (271.2), which was SEK 12.3 million higher than the second quarter of 2020.

Profit for our markets

January - June	Sweden		Norway		Denmark		Finland		Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income	675.7	536.1	411.8	260.5	472.9	268.0	383.2	229.9	1,943.7	1,294.5
Operating expenses	-220.8	-220.0	-121.2	-112.8	-108.7	-93.2	-112.7	-104.0	-563.4	-530.1
Operating profit before credit losses	454.9	316.1	290.7	147.7	364.3	174.8	270.5	125.9	1,380.3	764.4
Credit losses	-13.0	-27.8	-1.5	-0.4	-0.7	0.0	0.1	0.0	-15.0	-28.2
Operating profit	441.9	288.2	289.2	147.2	363.6	174.8	270.5	125.9	1,365.3	736.2
Operating margin %	65%	54%	70%	57%	77%	65%	71%	55%	70%	57%
Income in relation to savings capital	0.49%	0.64%	0.79%	0.89%	0.70%	0.65%	0.61%	0.56%	0.61%	0.66%

Financial overview, SEK million	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
Consolidated income statement								
Net commission income	584.8	926.9	595.5	451.1	480.6	493.5	272.5	231.2
Net interest income	183.2	168.0	148.3	152.1	156.3	147.0	132.1	128.8
Net result of financial transactions	8.8	-0.1	-4.3	2.0	-4.4	-7.5	0.5	-3.0
Other operating income	53.2	18.8	27.7	11.9	17.8	11.3	23.1	14.4
Operating income	830.1	1,113.6	767.1	617.1	650.3	644.2	428.2	371.4
General administrative expenses	-229.8	-228.9	-324.6	-231.3	-225.5	-210.2	-283.6	-216.6
Depreciation, amortization and impairments	-39.6	-39.6	-41.1	-39.2	-39.3	-38.5	-48.4	-47.5
Other operating expenses	-14.0	-11.4	-20.5	-6.5	-6.4	-10.2	-12.4	-9.6
Operating expenses	-283.5	-279.9	-386.3	-277.1	-271.2	-258.9	-344.4	-273.7
Net credit losses	-10.9	-4.1	-7.1	-3.4	-10.0	-18.2	-9.7	-5.5
Operating profit	535.7	829.6	373.8	336.6	369.1	367.1	74.1	92.3
Earnings per share before dilution, (SEK)	1.73	2.63	1.13	1.07	1.17	1.17	0.23	0.29
Earnings per share after dilution, (SEK)	1.72	2.62	1.13	1.07	1.17	1.17	0.23	0.29
Items affecting comparability ¹	0.0	0.0	-99.4	-18.9	-11.0	0.0	-49.2	-2.1
Adjusted operating expenses before credit losses	-283.5	-279.9	-286.9	-258.2	-260.2	-258.9	-295.2	-271.6
Adjusted operating profit ¹	535.7	829.6	473.1	355.6	380.1	367.1	123.3	94.4
Adjusted earnings per share pre amortization of intangible assets due to PPA before dilution (SEK)	1.76	2.66	1.48	1.17	1.24	1.21	0.43	0.36
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	1.75	2.65	1.48	1.17	1.24	1.21	0.43	0.36
Key figures								
Adjusted operating income in relation to savings capital - rolling 12 months %	0.59%	0.64%	0.60%	0.58%	0.55%	0.51%	0.44%	0.43%
Adjusted operating expenses in relation to savings capital - rolling 12 months %	0.20%	0.22%	0.24%	0.27%	0.29%	0.31%	0.32%	0.33%
Operating margin %	65%	74%	49%	55%	57%	57%	17%	25%
Adjusted operating margin %	65%	74%	62%	58%	58%	57%	29%	25%
Cost/income %	34%	25%	50%	45%	42%	40%	80%	74%
Adjusted cost/income %	34%	25%	37%	42%	40%	40%	69%	73%
Profit margin %	53%	60%	38%	45%	46%	47%	15%	22%
Return on equity (annulized) %	47%	58%	33%	34%	36%	38%	12%	14%
Adjusted return on equity (annulized) %	47%	58%	35%	35%	37%	38%	12%	11%
Adjusted return on equity excl intangible assets (annulized) %	59%	73%	48%	48%	52%	54%	18%	17%
Customers	1,475,300	1,388,700	1,221,500	1,122,900	1,069,200	1,002,400	913,600	882,200
Annual customer growth %	38%	39%	34%	27%	25%	26%	19%	19%
Net savings (SEK billion)	22.4	27.0	35.2	9.7	13.4	23.8	7.3	4.2
Savings ratio %	22%	24%	21%	15%	14%	12%	7%	5%
Savings capital (SEK billion)	703.4	647.8	564.9	477.8	424.6	354.9	394.5	365.2
of which shares/derivatives/bonds	505.8	465.0	404.4	329.1	283.5	223.2	268.0	244.5
of which funds	130.7	117.8	100.2	88.2	79.3	64.7	81.5	75.6
of which deposits	66.8	65.0	60.3	60.5	61.8	67.0	45.0	45.1
Average savings capital per customer - 12 months rolling (SEK)	449,000	425,500	415,900	404,200	400,900	402,900	409,100	409,000
Lending (SEK billion)	23.2	22.1	19.7	17.8	16.1	14.7	15.6	14.9
of which margin lending ²	11.5	11.1	9.2	8.0	6.8	5.7	7.1	6.6
of which mortgages	7.6	7.0	6.5	5.8	5.3	4.9	4.5	4.3
of which personal loans	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.0
Investments in tangible assets (SEK million)	8.0	17.8	3.1	4.2	3.7	0.9	4.5	1.0
Investments in intangible assets excl. company acquisitions (SEK million)	32.7	29.9	28.6	20.7	23.8	20.0	20.5	18.9
Number of full-time equivalents at end of period	630	610	571	558	533	505	494	499

¹ For items affecting comparability, see page 13.

² Lending excluding pledged cash and equivalents.

For definitions of key performance indicators, refer to pages 35-36.

Credit losses amounted to SEK 10.9 million (10.0), which is somewhat higher than in the corresponding quarter in 2020. The underlying credit losses are somewhat lower than the previous year, but are encumbered by a stronger provision for previously overdue loans.

Operating profit rose by 45 percent to SEK 535.7 million (369.1), with an operating margin of 65 percent (57).

Profit after tax for the period rose by 46 percent to SEK 440.4 million (302.0), resulting in a profit margin of 53 percent (46).

January–June 2021

(January – June 2020)

Operating income amounted to SEK 1,943.7 million (1,294.5), which is 50 percent higher than the corresponding period of 2020. Net commission income increased by SEK 537.7 million to SEK 1,511.7 million (974.0). The transaction-related income increased by 57 percent compared with the first half of 2020, mainly as a result of more customers and transactions, and that the share of trades outside the customer's home market increased from 22 to 32 percent. In addition, net commission income improved as a result of higher fund savings where the average fund capital was 55 percent higher compared with the first half of 2020. Net interest income increased by SEK 48.0 million to SEK 351.2 million (303.2). Growth in the loan portfolio and higher income from the stock lending program contribute positively, but are dampened by lower return on surplus liquidity. Other income increased by SEK 42.9 million to SEK 72.0 million (29.1). The increase is mainly attributable to income associated with IPOs.

Adjusted operating expenses amounted to SEK 563.4 million (519.1). The increase is mainly attributable to more employees in Tech and Product, but also a larger workforce in customer service and back-office as a result of the strong inflow of customers. In addition, costs for marketing increased compared with the corresponding period in 2020. No items affecting comparability were charged to earnings during the period. In the year-before period, items affecting comparability amounted to SEK 11 million. Operating expenses amounted to SEK 563.4 million (530.1), which was SEK 33.3 million higher than the first half of 2020.

Credit losses amounted to SEK 15.0 million (28.2), which is lower than the corresponding period of 2020. The decrease can mainly be attributed to credit reserves made in the first half of 2020 due to increased risk resulting from the ongoing corona pandemic.

Operating profit rose by 85 percent to SEK 1,365.3 million (736.2), with an operating margin of 70 percent (57).

From the first half of 2020 to the same period of 2021, the markets outside Sweden increased their combined share of the operating profit from 61 to 68 percent. All four markets are now contributing between 20-30 percent of the earnings, which is positive from both a diversification and a profitability perspective.

Profit after tax for the period rose by 83 percent to SEK 1,106.2 million (603.3), resulting in a profit margin of 57 percent (47).

Financial position	Q2 21	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q4 19	Q3 19
Equity, SEK million	4,937.9	4,897.0	4,211.7	3,880.7	3,596.8	2,615.1	3,057.8	3,013.8
Equity excluding Tier 1 capital	4,446.4	4,405.5	3,721.7	3,389.3	3,105.3	2,123.6	2,566.4	2,522.4
Own funds consolidated situation ¹	3,191.1	3,102.1	2,951.6	2,389.4	2,128.0	2,118.8	1,990.6	1,913.5
CET 1 ratio ¹	17.6%	18.2%	18.1%	15.0%	13.7%	14.1%	14.8%	14.6%
Total capital ratio ¹	20.9%	21.7%	21.8%	19.0%	18.0%	18.5%	19.7%	19.7%
Leverage ratio ¹	4.26%	4.04%	4.02%	3.30%	2.95%	2.56%	3.82%	3.67%
Lending/deposits	37%	36%	34%	32%	28%	24%	36%	35%
Deposits/savings capital	9%	10%	11%	13%	15%	19%	11%	12%

¹ Refers to consolidated situation

Financial position

30 June 2021

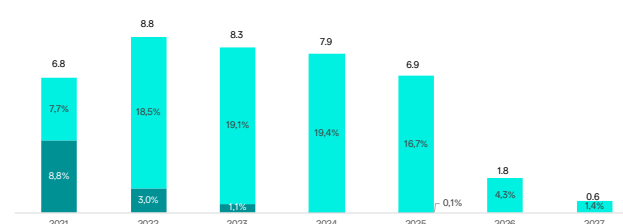
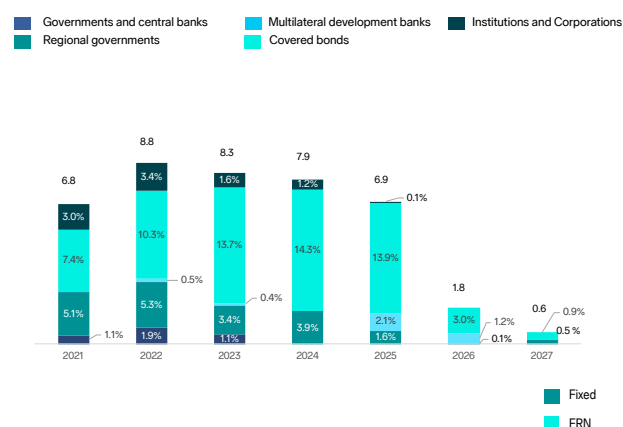
(31 December 2020)

Liquidity remained good and at 30 June 2021 amounted to SEK 47,277.3 million (44,101.7). Group financing consist mainly of deposits, which amounted to SEK 66,813.9 million (60,334.4) and lending was SEK 24,628.9 million (20,311.9), which provides a ratio between lending and deposits of 36.9 percent (33.7). The largest increase in lending is in margin lending and is due to customer growth and a positive stock market development. The credit quality in the loan portfolio remained good. The percentage of late payments remained low and the loan-to-value ratio is stable.

The Group's cash and cash equivalents amounted to SEK 3,835.0 million (3,704.0) at the end of June. Frozen assets amounted to SEK 525 million (319). Interest-bearing investments recognized at fair value amounted to SEK 21,183.7 million (15,683.3). In addition to the investments, 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 19,839.3 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.

Maturity structure (SEK billion), 30 June 2021



The Group's capital situation also remained strong and equity amounted to SEK 4,937.9 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, see the Group's specification of equity on page 17.

For the financial conglomerate in which Nordnet AB (publ) is the Parent Company, the asset base amounted to SEK 3,191.1 million (2,951.6) and total risk exposure amounts to SEK 15,280.4 million (13,518.2). At the end of the period, the capital ratio was 20.9 percent, compared with 21.8 percent on 31 December 2020. The leverage ratio was 4.26% (4.02%). The change in the capital ratio is primarily an effect of the increased lending but also a better utilization of capital and liquidity. The higher leverage ratio is an effect of a decrease in total assets and that part of this year's profit is included in and has strengthened the capital base. For more information, see Note 8.

Status of financial targets

30 June 2021

(30 June 2020)

With regard to the financial targets that Nordnet has set on the medium term, the status at 30 June 2021 is as follows:

- Annual customer growth in the last 12 months amounted to 38 percent (25)
- Average savings capital per customer amounted to SEK 449,000 (400,900)
- Adjusted operating income in relation to savings capital amounted to 0.59 percent (0.55) in the last 12 months
- Adjusted operating expenses in the last 12 months amounted to SEK 1,108.4 million (1,085.9)

Read more about the financial targets on page 3.

Cash flow

April – June 2021

(April – June 2020)

Cash flow from operating activities was positively impacted during the second quarter by greater liquidity on customer deposits of SEK 1,992.9 million (-2,205.6),

but was negatively impacted by greater lending of SEK 1,467.5 million (1,531.8). During the quarter, cash flow in investing activities was negative due to increased investments in bonds and other fixed-income securities for SEK 1,685.3 million (positive 5,590.0).

Parent Company

January–June 2021

(January – June 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–June 2021 amounted to SEK 9.1 million (7.9) and relates to Group-internal administrative services. The loss after financial investments amounted to SEK 0.4 million (0.6). The Parent Company's loss after financial items for the period January–June 2021 amounted to SEK 0.8 million (3.6). The Parent Company's cash and cash equivalents amounted to SEK 24.9 million (112.2 at 31 December 2020), and shareholders' equity to SEK 1,974.8 million (2,370.0).

Significant risks and uncertainty factors

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 in the Board

of Directors' report and in Note 7 in the 2020 Annual Report.

Uncertainty regarding the financial consequences of the coronavirus pandemic can impact the risk in Nordnet even if the situation as a result of major vaccination efforts is less ambiguous and looks better than before. For margin lending, primarily high volatility, especially sharp stock market declines, 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 small number of customers have requested deferrals in principal repayments in accordance with the temporary exemption issued by the Swedish Financial Supervisory Authority. This exemption expires on 31 August 2021. 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.

Capital situation

Nordnet's capital and liquidity positions are good and there is room for further dividend during 2021. The possibility to, and the size of, additional dividend during 2021 are dependent of future directives from the Swedish Financial Supervisory Authority, including the current recommendation on restraint in dividends from banks, and information on the so-called "guidance buffer" regarding leverage ratio. Nordnet awaits like most other banks clarification and decisions in these matters from the Swedish Financial Supervisory Authority, which expects to come in September.

Review by the Swedish Financial Supervisory Authority

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. Nordnet has sent the Swedish Financial Supervisory Authority the material requested, and a meeting has been held between the parties. The review is ongoing, and the outcome is not known.

Other company events

Shares and shareholders

The number of shares amounted to 250,000,000 at 30 June 2021, which is unchanged compared with 31 December 2020. At market close on 30 June 2021, the share price was SEK 144.45, which is an increase by 11.9% since year-end. Since 25 November 2020, Nordnet AB (publ) has been listed on the Nasdaq Stockholm Large Cap list under the ticker SAVE. At 30 June 2021, the company had 29,173 shareholders, compared with 26,799 at 31 December 2020.

Buyback of own shares

The Annual General Meeting held on 29 April 2021 authorized 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 were repurchased during 2021 and no own shares were held as of 30 June 2021. The authorization is valid until the next Annual General Meeting.

Employees

As of 30 June 2021, there were 630 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-June was 637 (538 during the period January-June 2020). In addition to the number of full-time positions, the number of employees also includes staff on parental leave and leaves of absence.

Items affecting comparability

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

Closely related transactions

E. Öhman J:or AB with subsidiaries ("Öhman Group") are closely related to Nordnet AB (publ). The owners of Öhman Group, who have family relationships among them, 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 30 June 2021

No significant events have occurred after the end of the reporting period.

Upcoming report events

Interim Report January-September	29 October 2021
Year-end report	3 February 2022
Annual and Sustainability Report	18 March 2022
Interim Report January-March	28 April 2022
Annual General Meeting	28 April 2022

Financial statements.



Financial statements.

Consolidated income statement

SEK million	Note	3 months Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Commission income	2	763.6	619.7 ¹	1,165.7	1,929.3	1,247.8 ¹	2 609,3
Commission expenses	2	-178.8	-139.2	-238.8	-417.6	-273.7	-588,7
Interest income	3	230.8	201.7	210.7	441.5	393.3	787,1
Interest expenses	3	-47.6	-45.5	-42.7	-90.3	-90.1	-183,6
Net result of financial transactions		8.8	-4.4 ¹	-0.1	8.7	-11.9 ¹	-14,2
Other operating income		53.2	17.9	18.8	72.0	29.1	68,7
Total operating income		830.1	650.3	1,113.6	1,943.7	1,294.5	2 678,7
General administrative expenses		-229.8	-225.5	-228.9	-458.7	-435.7	-991,7
Depreciation, amortization and impairments of intangibles and equipment		-39.6	-39.3	-39.6	-79.2	-77.8	-158,1
Other operating expenses		-14.0	-6.4	-11.4	-25.5	-16.6	-43,6
Total expenses before credit losses		-283.5	-271.2	-279.9	-563.4	-530.1	-1 193,4
Profit before credit losses		546.6	379.1	833.7	1,380.3	764.4	1 485,3
Credit losses, net	4	-10.9	-10.0	-4.1	-15.0	-28.2	-38,7
Operating profit		535.7	369.1	829.6	1,365.3	736.2	1 446,6
Tax on profit for the period		-95.3	-67.1	-163.7	-259.1	-132.9	-273,9
Profit for the period ²		440.4	302.0	665.9	1,106.2	603.3	1 172,7
Earnings per share before dilution, SEK	9	1.73	1.17	2.63	4.36	2.34	4,55
Earnings per share after dilution, SEK	9	1.72	1.17	2.62	4.34	2.34	4,55
Average number of outstanding shares before dilution	9	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Average number of outstanding shares after dilution	9	251,029,051	250,000,000	250,721,982	250,902,081	250,000,000	250,000,000

Consolidated statement of other comprehensive income

SEK million	3 months Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Profit for the period	440.4	302.0	665.9	1,106.2	603.3	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	-2.5	26.4	-1.7	-4.2	-2.1	31.1
Tax on changes in value of financial assets recognized at fair value through other comprehensive income	0.6	-5.7	0.3	0.9	0.4	-6.7
Translation of foreign operations	-11.8	-8.4	31.4	19.6	-38.9	-49.5
Tax on translation of foreign operations	0.3	-2.1	-2.1	-1.8	-6.7	0.8
Total other comprehensive income after tax	-13.4	10.2	27.9	14.5	-47.3	-24.2
Total profit or loss and other comprehensive income ²	427.0	312.1	693.8	1,120.7	556.0	1,148.5

¹ 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 more information, see Note 2.

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

Consolidated balance sheet

SEK million	Note	30/06/2021	31/12/2020
Assets			
Cash and balances in Central banks		3,315.4	3,100.5
Treasury bills and other interest bearing securities eligible for refinancing		28,652.6	30,279.6
Loans to credit institutions		519.6	603.5
Loans to the general public	4	24,628.9	20,311.9
Bonds and other interest bearing securities		6,898.1	2,336.4
Shares and participations		4.7	7.3
Assets for which customers bear the investment risk		130,402.5	102,691.3
Intangible fixed assets		899.0	866.8
Tangible fixed assets		272.1	272.9
Deferred taxed assets		0.7	0.6
Current tax assets		11.0	12.2
Other assets		2,751.2	7,228.7
Prepaid expenses and accrued income		339.5	281.4
Total assets		198,695.4	167,993.1
Liabilities			
Deposits and borrowing from the general public		56,865.3	52,552.8
Liabilities for which customers bear the investment risk		130,404.8	102,693.3
Other liabilities		5,619.0	7,976.4
Current tax liabilities		554.2	200.0
Deferred tax liabilities		68.3	73.2
Accrued expenses and deferred income		245.9	285.7
Total liabilities		193,757.5	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		-85.9	-100.4
Retained earnings/cumulative losses including profit and loss for the period		-2,589.8	-3,301.5
Total equity		4,937.9	4,211.7
Total liabilities and equity		198,695.4	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 year	Total equity
Equity brought forward 1 January 2021	1.2	500.0	7,112.4	-100.4	-3,301.5	4,211.7
Profit after tax reported in the income statement	-	-	-	-	1,106.2	1,106.2
Other comprehensive income after tax	-	-	-	14.5	-	14.5
Total comprehensive income	-	-	-	14.5	1,106.2	1,120.7
Transactions reported directly in equity						
Interest on Tier 1 capital	-	-	-	-	-17.0	-17.0
Dividend	-	-	-	-	-377.5	-377.5
Total transactions reported directly in equity	-	-	-	-	-394.5	-394.5
Equity carried forward 30 June 2021	1.2	500.0	7,112.4	-85.9	-2,589.8	4,937.9

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 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	-	-	-	-	603.3	603.3
Other comprehensive income after tax	-	-	-	-47.3	-	-47.3
Total comprehensive income	-	-	-	-47.3	603.3	556.0
Transactions reported directly in equity						
Interest on Tier 1 capital	-	-	-	-	-17.1	-17.1
Total transactions reported directly in equity	-	-	-	-	-17.1	-17.1
Equity carried forward 30 June 2020	1.0	500.0	7,071.2	-123.4	-3,852.2	3,596.8

Consolidated cash flow

SEK million	3 months Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Operating activities						
Cash flow from operating activities before changes in working capital	459.2	232.4	918.8	1,378.0	642.3	1,553.6
Cash flow from changes in working capital	1,555.6	-7,199.9	569.8	2,125.5	12,705.1	10,345.0
Cash flow from operating activities	2,014.9	-6,967.5	1,488.6	3,503.5	13,347.4	11,898.5
Investing activities						
Purchases and disposals of intangible and tangible fixed assets	-40.7	-27.6	-47.6	-88.3	-45.4	-102.2
Net investments in financial instruments	-1,685.3	5,590.0	-1,228.0	-2,913.3	-11,436.9	-8,996.9
Cash flow from investing activities	-1,726.0	5,562.4	-1,275.6	-3,001.6	-11,482.4	-9,099.1
Financing activities						
Cash flow from financing activities	-380.0	-8.8	-2.2	-382.2	-17.1	22.2
Cash flow for the period	-91.1	-1,413.9	210.8	119.7	1,847.9	2,821.6
Cash and cash equivalents at the start of the period	3,931.6	4,156.2	3,704.0	3,704.0	914.7	914.7
Exchange rate difference for cash and cash equivalents	-5.5	-5.2	16.8	11.3	-25.6	-32.3
Cash and cash equivalents at the end of the period ¹	3,835.0	2,737.0	3,931.6	3,835.0	2,737.0	3,704.0
<i>whereof cash and cash equivalents in Central Banks</i>	3,315.4	2,192.0	3,279.8	3,315.4	2,192.0	3,100.5
<i>whereof loans to credit institutions</i>	519.6	545.1	651.8	519.6	545.1	603.5

¹ This amount includes blocked funds of SEK 525 million (319).

Parent Company income statement

SEK million	3 months Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Net sales	4.6	4.5	4.5	9.1	7.9	21.6
Total operating income	4.6	4.5	4.5	9.1	7.9	21.6
Other external costs	-2.0	-2.6	0.5	-1.5	-4.1	-85.6
Personnel costs	-3.3	-3.4	-3.4	-6.7	-6.2	-12.7
Other operating expenses	-0.7	-0.3	-0.6	-1.3	-0.7	-8.2
Operating profit	-1.4	-1.8	1.1	-0.4	-3.0	-85.0
Result from financial investments:						
Result from participations in Group companies	-	-	-	-	-	296.0
Interest expense and similar items	-0.2	-0.2	-0.3	-0.4	-0.6	-1.9
Result from financial investments	-0.2	-0.2	-0.3	-0.4	-0.6	294.1
Profit after financial items	-1.5	-2.0	0.8	-0.8	-3.6	209.0
Tax on profit for the year	0.2	-	-0.2	-	-	-2.5
Profit for the period	-1.3	-2.0	0.6	-0.8	-3.6	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	-1.3	-2.0	0.6	-0.8	-3.6	206.5

Parent Company balance sheet

SEK million	30/06/2021	31/12/2020
Assets		
Financial fixed assets	1,989.1	1,989.1
Current assets	9.6	351.0
Cash and bank balances	24.9	112.2
Total assets	2,023.6	2,452.3
Equity and liabilities		
Restricted equity	1.2	1.2
Non-restricted equity	1,973.6	2,368.8
Current liabilities	48.8	82.3
Total equity and total liabilities	2,023.6	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 and are to apply as of 1 January 2021 and early application is permitted. The amendments relate to accounting issues that arise when financial instruments that refer to an IBOR interest rate transition to an alternative benchmark rate. The new rules contain a practical solution for the modifications required by the interest rate benchmark reform, which can thereby be handled without providing an effect on earnings.

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 and 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 Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Commission income						
Commission income - transaction related ¹	452.6	406.8	737.4	1,189.9	827.9	1,682.8
Commission income - not transaction related ²	154.5	91.2	138.3	292.8	185.8	414.7
Currency exchange income	156.5	121.7	290.0	446.6	234.0	511.8
Total commission income	763.6	619.7³	1,165.7	1,929.3	1,247.8³	2,609.3
Commission expenses						
Commission expenses - transaction related	-131.1	-117.0	-192.0	-323.1	-225.9	-473.9
Commission expenses - not transaction related	-47.7	-22.2	-46.8	-94.5	-47.9	-114.8
Commission expenses	-178.8	-139.2	-238.8	-417.6	-273.7	-588.7
Net commission income	584.8	480.5	926.9	1,511.7	974.0	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 second quarter income of SEK 121.7 million has been restated from Result of financial transactions to Commission income. For January-June 2020 income of SEK 234.0 million has been restated from Result of financial transactions to Commission income.

Note 3 Net interest income

SEK million	3 months Apr-Jun 2021	3 months Apr-Jun 2020	3 months Jan-Mar 2021	6 months Jan-Jun 2021	6 months Jan-Jun 2020	12 months Jan-Dec 2020
Interest income						
Loans to credit institutions	37.9	28.0	30.1	68.0	54.2	119.1
Interest bearing securities	16.6	42.8	15.0	31.6	77.0	113.5
Loans to the general public	174.0	129.1	162.6	336.6	258.0	546.1
Other interest income	2.3	1.9	3.0	5.3	4.1	8.4
Total interest income	230.8	201.7	210.7	441.5	393.3	787.1
Interest expenses						
Liabilities to credit institutions	-3.4	-2.9	-4.9	-8.3	-4.5	-8.3
Interest bearing securities	-15.2	-19.3	-13.1	-28.3	-39.9	-72.7
Deposits and borrowing from the general public	-0.1	-2.2	-0.1	-0.3	-4.8	-5.4
Other interest expenses	-28.9	-21.1	-24.6	-53.4	-41.0	-97.2
Total interest expenses	-47.6	-45.5	-42.7	-90.3	-90.1	-183.6
Net interest income	183.2	156.3	168.0	351.2	303.2	603.6

Note 4 Loans to the general public

Total lending amounts to SEK 24,629 million (23,298 as of 31 March 2021). As at 30 June, SEK 1,414.7 million (1,165.9) of the 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 107.6 million (101.5), including a manual expert provision of SEK 2.0 million (2.0), taking the prevailing uncertainty attributable to the coronavirus pandemic into account. The credit loss provisions are distributed between personal loans, in the amount of SEK 82.4 million (77.1), margin lending in the amount of SEK 25.2 million (24.4) and residential mortgages in the amount of SEK 0.008 million (0.008).

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 ongoing pandemic, the economic situation and customers' future repayment capacity, Nordnet has made the assessment that the adjusted weighting implemented in the first quarter of 2020, when calculating credit loss provisions for personal and margin loans, is the most reasonable in the company's view also looking ahead. The forecasts for the three scenarios – base, 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%
	Base	50%
	Negative	25%
Since March 2020	Positive	10%
	Base	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. Provision needs for residential mortgages are calculated with the following scenario weightings: positive 25 percent, base 50 percent and negative 25 percent.

Credit loss reserve 30/06/2021	Stage 1	Stage 2	Stage 3	Total
Amortized cost	22,275.2	2,326.9	134.4	24,736.5
Provisions for expected credit losses	-20.6	-14.9	-72.1	-107.6
Total lending to the public	22,254.6	2,312.0	62.3	24,628.9

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	30/06/2021	31/03/2021	Change %	31/12/2020	Change %
Residential mortgage	7,632.2	7,024.2	8.7%	6,493.2	17.5%
Margin loans	12,950.3	12,265.6	5.6%	9,822.8	31.8%
Personal loans	4,046.4	4,008.3	1.0%	3,995.9	1.3%
Total lending to the public	24,628.9	23,298.1	5.7%	20,311.9	21.3%
whereof credits covered by pledged cash and cash equivalents	1,414.7	1,165.9	21.3%	640.4	120.9%

Cont. Note 4 Loans to the general public

The effect of the adjusted weighting for personal loans yields a higher number of loans in stage 2 as a result of an internal PD increase compared with the application date. This means that the rate of loss provisions is increasing even if we do not see any tendency for a worse repayment capacity on an individual level. For margin lending, the effect of the adjusted weighting is that the rate of loss provisions increases, which entails increased provisions for expected credit losses.

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, and the provisions for residential mortgages have not been affected. As of 30/06/2021, the average loan-to-value ratio for mortgages was 42.0 percent (41.7). Nordnet offers mortgages with a maximum loan-to-value ratio of 60 percent. During the second quarter, housing prices continued to increase throughout the country.

Note 5 Group - segments

Jan-Jun 2021					
SEK million	Sweden	Norway	Denmark	Finland	Group
Net commission income	420.9	320.3	420.6	349.9	1,511.7
Net interest income	224.2	80.8	36.5	9.7	351.2
Net result after financial transactions	7.6	2.9	0.8	-2.5	8.7
Other interest income	23.1	7.9	15.0	26.1	72.0
Total operating income	675.7	411.8	472.9	383.2	1,943.7
Total operating expenses	-220.8	-121.2	-108.7	-112.7	-563.4
Total expenses before credit losses	-220.8	-121.2	-108.7	-112.7	-563.4
Profit before credit losses	454.9	290.7	364.3	270.5	1,380.3
Credit losses, net	-13.0	-1.5	-0.7	0.1	-15.0
Operating profit	441.9	289.2	363.6	270.5	1,365.3
Jan-Jun 2020					
SEK million	Sweden	Norway	Denmark	Finland	Group
Net commission income	320.5	177.6	258.7	217.2	974.0
Net interest income	206.8	83.7	8.5	4.2	303.2
Net result after financial transactions	-1.8	-3.7	-3.1	-3.3	-11.9
Other interest income	10.6	2.9	3.9	11.7	29.1
Total operating income	536.1	260.5	268.0	229.9	1,294.5
Total operating expenses	-220.0	-112.8	-93.2	-104.0	-530.1
Total expenses before credit losses	-220.0	-112.8	-93.2	-104.0	-530.1
Profit before credit losses	316.1	147.7	174.8	125.9	764.4
Credit losses, net	-27.8	-0.4	-	-	-28.2
Operating profit	288.2	147.2	174.8	125.9	736.2
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

30/06/2021		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	3,315.4	-	-	-	-	3,315.4
Treasury bills and other interest bearing securities eligible for refinancing	19,318.9 ¹	-	-	9,333.8	-	28,652.6
Loans to credit institutions	519.6	-	-	-	-	519.6
Loans to the general public	24,628.9	-	-	-	-	24,628.9
Bonds and other interest bearing securities	520.4	-	-	6,377.7	-	6,898.1
Shares and participations, listed	-	4.0	-	-	-	4.0
Shares and participations, non-listed	-	0.7	-	-	-	0.7
Assets for which customers bear the investment risk ²	2,419.3	-	122,511.0	5,472.2	-	130,402.5
Other assets	2,751.2	-	-	-	11.0	2,762.2
Accrued income	339.5	-	-	-	-	339.5
Total assets	53,813.2	4.7	122,511.0	21,183.7	11.0	197,523.6
Liabilities						
Deposits and borrowing from the general public	56,865.3	-	-	-	-	56,865.3
Liabilities for which customers bear the investment risk	-	-	130,404.8	-	-	130,404.8
Other liabilities	5,619.0	-	-	-	622.4	6,241.4
Accrued expenses	245.9	-	-	-	-	245.9
Total liabilities	62,730.2	-	130,404.8	-	622.4	193,757.5

¹ Market value amounted to SEK 19,389.3 million

² SEK 5,472.2 million refers to reinvestments in bonds and SEK 2,419.3 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	603.5	-	-	-	-	603.5
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.

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 recognized at fair value

30/06/2021				
SEK million	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	9,333.8	-	-	9,333.8
Bonds and other interest bearing securities	6,377.7	-	-	6,377.7
Shares and participations ¹	4.0	-	0.7	4.7
Assets for which customers bear the investment risk	126,723.6	494.3	3,184.6	130,402.5
Subtotal	142,439.1	494.3	3,185.3	146,118.7
Financial assets where fair value is given for information purposes				
Cash and balances in Central Banks	3,315.4	-	-	3,315.4
Loans to credit institutions	-	519.6	-	519.6
Loans to the general public	-	24,628.9	-	24,628.9
Treasury bills and other interest bearing securities eligible for refinancing	-	19,389.3	-	19,389.3
Bonds and other interest bearing securities	-	522.9	-	522.9
Other assets	2,751.2	-	-	2,751.2
Accrued income	339.5	-	-	339.5
Subtotal	6,406.1	45,060.7	-	51,466.9
Total	148,845.2	45,555.0	3,185.3	197,585.5
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	130,404.8	-	130,404.8
Total	-	130,404.8	-	130,404.8

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	-	603.5	-	603.5
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 value for the valuation.

Relocation between levels

Financial instruments that have been transferred from level 1 to level 2 during the second quarter amount to SEK 1 million and pertain to bonds and other interest-bearing securities. 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.

Financial instruments transferred from level 2 to level 1 amounted to SEK 10 million and relate to bonds and other interest-bearing securities of SEK 9 million, as well as shares and participations of SEK 1 million. The main reason for the transfer was that the instruments were actively traded during the period and reliable price quotations were available in the market.

Bonds and other interest-bearing securities of SEK 41 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 25 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	30/06/2021	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	2,868.3	3,369.2
<i>of which deposits with credit institutions</i>	2,342.5	2,784.4
<i>of which deposits with clearing organisations</i>	525.8	584.8
Obligations		
Contingent liabilities	16.6	33.1
Commitments		
Credit granted but not yet paid, unsecured loans ²	279.3	497.3
Funds managed on behalf of third parties		
Client funds	123.4	127.4

¹ The amount includes restricted cash of SEK 525 (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 187.3 (427.0) million.

As of 30 June 2021, the insurance business held registered assets amounting to SEK 130,402 (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.

The capital requirement for units in the insurance business 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.

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 are calculated in accordance with the consolidation method.

Cont. Note 8 Capital adequacy information

The financial conglomerate

SEK million	30/06/2021	30/06/2020
Capital base after regulatory adjustments	5,004.7	4,344.1
Capital requirement	4,088.8	3,680.7
Excess capital	916.0	663.4
The financial conglomerate's capital ratio	1.2	1.2

From 30 June 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. The capital base requirements for operational risk are calculated according to the standardised approach.

The capital base shall cover minimum capital requirements and the combined buffer requirement, as well as supplemental Pillar 2 requirements. Net profit for the second 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 identifying 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 823.8 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	30/06/2021	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	-3,565.7	-4,323.6
Accumulated other comprehensive income (and other reserves)	133.7	164.3
Independently reviewed interim profits net of any foreseeable charge or dividend	271.2	731.6
Common Equity Tier 1 (CET1) capital before regulatory adjustments	3,530.2	3,263.4
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-20.2	-15.7
Intangible assets (net of related tax liability) (negative amount)	-819.0	-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)	-839.2	-811.8
Common Equity Tier 1 (CET1) Capital	2,691.1	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)	3,191.1	2,951.6
Tier 2 (T2) capital	-	-
Total capital (TC = T1 + T2)	3,191.1	2,951.6
Total risk weighted assets	15,280.4	13,518.2
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	17.6%	18.1%
Tier 1 (as a percentage of total risk exposure amount)	20.9%	21.8%
Total capital (as a percentage of total risk exposure amount)	20.9%	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)	12.9%	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

The consolidated situation

SEK million	30/06/2021		31/12/2020	
Risk weighted exposures				
Exposure to credit risk according to the standardized method	12,243.9		10,075.8	
of which exposures to institutions	1,344.7		677.5	
of which exposures to corporates	1,524.9		617.3	
of which retail exposures	4,132.5		3,846.3	
of which exposures secured by mortgages on immovable property	1,686.0		1,452.0	
of which in default	88.9		69.5	
of which exposures in the form of covered bonds	2,383.4		2,432.3	
of which equity exposures	422.1		393.9	
of which regional governments or local authorities	51.3		70.1	
of which other items	610.1		516.8	
Exposures market risk	193.9		37.2	
Exposure operational risk	2,842.6		3,405.3	
Total risk weighted exposures	15,280.4		13,518.2	
Capital requirement				
Credit risk according to the standardized method	979.5	6.4%	806.1	6.0%
Market risk	15.5	0.1%	3.0	0.0%
Operational risk	227.4	1.5%	272.4	2.0%
Capital requirement Pillar 1	1,222.4	8.0%	1,081.5	8.0%
Credit risk in government exposures	0.5	0.0%	0.5	0.0%
Concentration risk	87.0	0.6%	76.3	0.6%
Market risk excluding interest rate risk	-	-	5.0	0.0%
Interest rate risk	104.9	0.7%	182.4	1.3%
Credit spread risk	631.4	4.1%	615.6	4.6%
Estimated Pillar 2-guidance	-	-	63.3	0.5%
Capital requirement Pillar 2	823.8	5.4%	943.1	7.0%
Buffer requirement	403.5	2.6%	355.3	2.6%
Total capital requirement, incl. buffer requirement	2,449.7	16.0%	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 is calculated as the ratio of Tier 1 capital and total exposures, expressed as a percentage. As of 28 June 2021, a binding minimum requirement of 3.0 percent for the leverage ratio was introduced. Besides the minimum requirement, the Swedish Financial Supervisory Authority (FI) proposes a leverage ratio

benchmark that shall be fulfilled with CET1 capital in order to absorb any losses. The benchmark will be established by FI in connection with the completion of the overall evaluation process (OEP) during late September 2021. In addition to the established leverage ratio requirement, Nordnet will add an internal buffer.

Leverage ratio	30/06/2021
Consolidated situation	4.3%
Nordnet Bank AB	4.1%

Note 9 Earnings per share

	3 months	3 month	3 months	6 months	6 months	12 months
SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Mar 2021	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Earning per share before and after dilution						
Profit for the period	440.4	302.0	665.9	1,106.2	603.3	1,172.7
Interest on Tier 1 capital recognised in equity ¹	-8.7	-8.7	-8.6	-17.2	-17.3	-36.3
Profit attributable to shareholders of the Parent Company	431.7	293.3	657.3	1,089.0	586.0	1,136.5
Earning per share before dilution ²	1.73	1.17	2.63	4.36	2.34	4.55
Earning per share after dilution ²	1.72	1.17	2.62	4.34	2.34	4.55
Average number of shares before dilution	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Average number of shares after dilution	251,029,051	250,000,000	250,721,982	250,902,081	250,000,000	250,000,000
Number of outstanding shares before dilution	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000
Number of outstanding shares after dilution	255,980,549	250,000,000	255,980,549	255,980,549	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	-0.3	-0.3	-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 derive 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–June 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, 22 July 2021

Tom Dinkelspiel
Chairman of the Board

Anna Bäck
Board member

Jan Dinkelspiel
Board member

Karitha Ericson
Board member

Christian Frick
Board member

Hans Larsson
Board member

Charlotta Nilsson
Board member

Per Widerström
Board member

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This is information that Nordnet AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 8:00 a.m. CET on 23 July 2021.

Definitions.

Alternative Performance Measures (APM) are financial measures of historical or future financial position, performance 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 trades ¹

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

Number of trades per trading day ¹

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

Number of trading days ¹

Number of days on which the relevant exchanges are open.

Number of full-time employees at end of period ¹

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 customers ¹

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 market ²

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

Equity excluding intangible assets ¹

Total equity less intangible assets.

Average savings capital per customer – rolling 12 months ²

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 period ²

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 capital ²

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 %²

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

Adjusted operating expenses in relation to savings capital ²

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 profit ²

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 in accordance with IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and according to the EU's Solvency II directive 2015/35⁴
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 allocation ²

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 dilution ²

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 income ²

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

Adjusted operating expenses before credit losses ²

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

Adjusted operating margin ²

The adjusted operating profit in relation to adjusted operating income.

Adjusted operating profit ²

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

Capital base ³

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

C/I ratio excluding operating losses ¹

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

Core Tier 1 capital ³

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 ratio ³

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

Net savings ²

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

Traded value cash market ²

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

Earnings per share ²

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 expenses ³

Operating expenses before credit losses.

Operating margin ¹

Operating profit in relation to total operating income.

Savings capital ²

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

Savings ratio ²

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

Total capital ratio ²

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

Lending/deposits ²

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 equivalents ²

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 period ²

Lending to the public at the end of the period.

Profit margin ¹

Profit for the period in relation to operating income.

Annual customer growth ²

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 in accordance with IFRS and the EU's capital requirement regulation no. 575/2013 (CRR) and according to the EU's Solvency II directive 2015/35⁴. 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.

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