

This prospectus was approved by the Swedish Financial Supervisory Authority on 3 December 2021 and shall be valid for twelve (12) months after the date of its approval. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.



NORDNET AB (PUBL)

**Prospectus regarding the admission to trading of
SEK 600 000 000 Floating Rate Additional Tier 1 Capital Notes**

ISIN: SE0017072234

Joint Bookrunners

Nordea **S|E|B**

Important information

In this prospectus, the “**Issuer**” means Nordnet AB (publ), Swedish Corporate ID No. 559073-6681 and LEI code 549300D6WW5ZTWLZ4C08. The “**Group**” or “**Nordnet**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”). “**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

Words and expressions defined in the terms and conditions beginning on page 28 (the “**Terms and Conditions**”) have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated otherwise follow from the context.

The Issuer has issued a total of 300 Additional Tier 1 Capital notes (the “**Notes**”) in the Total Nominal Amount of SEK 600,000,000 on 16 November 2021 (the “**Issue Date**”). This Prospectus has been prepared for the admission to trading of the Notes on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection herewith.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**Swedish FSA**”) pursuant to the provisions of Article 20 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”).

Solely for the purposes of the manufacturers’ (as used herein, “**Manufacturers**”) refers to Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) in their capacity as joint bookrunners) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU as amended (“**MIFID II**”), and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**Distributor**”) should take into consideration the Manufacturers’ target market assessment. However, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturers’ target market assessment) and determining appropriate distribution channels.

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

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

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

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or Nordnet’s business since the date of this Prospectus. With the exception of the Issuer’s consolidated financial statements for 2019 and 2020, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor. Financial data in this Prospectus that has not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

Forward-looking statements and market data

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

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

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

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RISK FACTORS

An investment in Notes is associated with different risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be material. Set out below is a description of risks that are considered to be of importance for Nordnet and the Notes. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Notes. The risk factors mentioned below are limited to risks which are specific to Nordnet and/or to the Notes and which are assessed to be material for taking an informed investment decision. The description below is based on information available as of the date of the Prospectus. The risk factors are presented in five categories: "Risks related to the industry in which Nordnet operates", "Risks related to Nordnet's business and operations", "Risks related to Nordnet's financial situation", "Legal and regulatory risks" and "Risks related to the Notes". The most material risk factor in each category, based on Nordnet's assessment of the probability of its occurrence and the expected magnitude of its adverse impact, is presented first in that category. Subsequent risk factors in the same category are not ranked based on such assessment. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category.

Risks related to the industry in which Nordnet operates

A deterioration of the regional or global macroeconomic conditions could adversely affect Nordnet's business and results of operations

Nordnet is a leading pan-Nordic digital savings and investments platform with operations in Sweden, Norway, Denmark and Finland. Nordnet's performance is subject to global and, in particular, Nordic macroeconomic conditions, whereby such conditions affect the levels of savings and investments held by its customers. Nordnet's core offering is its digital platform, where customers are offered saving and investments products. The level of trading activity and savings by Nordnet's existing and new customers are impacted by a variety of factors related to the customers' personal economy. Such factors include, among others, the performance and volatility of capital markets, household disposable income, consumer confidence and spending, interest rates, unemployment and inflation. A deterioration in macroeconomic conditions for existing and potential customers in the countries in which Nordnet operates, including a decrease in asset values and negative investment returns, could reduce the demand for Nordnet's products and services as consumers may generally have less appetite for risk and less disposable income to invest in such circumstances. Whilst significant and rapid swings in the capital markets, such as those initially experienced by the outbreak of the COVID-19 pandemic, may have positive effects on trading activity (see "*Nordnet's revenue growth, including the recent step-up in growth, may prove difficult to maintain over time, depending on investor sentiment and market conditions*"), Nordnet has historically been adversely affected, and could in the future be adversely affected by a prolonged financial crisis where markets are less active and volatile, and present less investment opportunities for customers. As such, negative price developments on the Nordic and the non-Nordic stock markets may result in Nordic consumers being less interested in securities as a savings and investment alternative, which could have an adverse effect on Nordnet's business and its results of operations.

The markets for savings and investments as well as consumer lending is, and will continue to be, competitive and Nordnet may be unable to retain or grow its market share in the future

Nordnet operates in the Nordic savings, investments and consumer lending markets. These markets are competitive and characterised by a high degree of innovation. Nordnet and its competitors are increasingly taking advantage of new technologies to streamline and optimise their businesses and offer a digital customer experience. The Nordic financial sector, including the large, incumbent banks, is undergoing a digital transformation, which may make other competitors' customer offerings in the relevant areas increasingly competitive to, and comparable, with Nordnet's customer offering. There is also a risk that competitors which operate locally in Sweden, Norway, Denmark or Finland will expand their operations to other Nordic countries or that non-Nordic parties expand their businesses to one or more of the Nordic countries. This could increase competition and have adverse effects on Nordnet's market share and profitability in such countries. International platforms for savings and investments operating according to a business model similar to Nordnet's may enter the Nordic markets and further increase the competition. Existing or new competitors may also launch new products or price models, which could have price-pressuring effects. There are also a growing number of financial technology companies that may offer competing niche digital products, such as saving accounts and personal finance management apps.

To achieve its strategic objectives and to remain competitive, Nordnet must continue to develop and enhance its platform and customer offering, including its product offering, costs of product, user experience and support

services, and improve its positive reputation and customer satisfaction, which may require the development of IT solutions and systems, either internally or through independent consultants.

Nordnet operates within the broader financial services market and any actual or perceived deterioration of financial services or financial institutions could have an adverse effect on its business and results of operations

Due to the high level of interdependence between financial institutions, Nordnet is subject to the risk of deterioration of the actual or perceived commercial and financial soundness as well as the trust in financial institutions and capital markets in general. A default or financial difficulties of one financial institution may have negative consequences for other financial institutions and may lead to liquidity problems, losses, defaults or worsening of general economic climate across the markets in which Nordnet operates. Such developments may also negatively affect the trust in the financial system and the financial markets in general, which could adversely affect interest in savings and investments. Any of the above could have an adverse effect on Nordnet's business and its results of operations.

Risks related to Nordnet's business and operations

System failures, delays in services, catastrophic events and interruptions in the availability of Nordnet's products or services and loss or disclosure of customer data could harm Nordnet's business and brand and subject Nordnet to liability and sanctions

As its digital platform for savings and investments is at the core of its business, Nordnet's most significant operational risk relates to its information and communications technology ("ICT") systems. Nordnet's success is highly dependent on seamless operations and platform availability and relies heavily on software, technology systems and infrastructure to provide its products and services to its customers. Nordnet's ICT systems process large amounts of data and transactions, many of which are carried out in real time. The speed, quality and reliability of the ICT systems and infrastructure are fundamental to Nordnet's operations.

Nordnet's systems and operations are potentially vulnerable to damage, breakdown or interruption from events, such as fire, flood and other natural disasters, power losses, telecommunications or data network failures, improper or negligent operation by Nordnet's service providers, or unauthorised physical or electronic access and different violations of system integrity (including as a result of cyber-attacks by computer hackers or viruses as further described below under "*Nordnet's operations are exposed to cyberattack threats and other external threats*" and other types of security incident). Modifications or upgrades to any information technology systems, including those provided by third parties, could result in an interruption to Nordnet's business. The continued growth of Nordnet and isolated events causing a spike in demand for Nordnet's services could result in a failure of Nordnet's systems to cope with the capacity pressures placed on them.

Insufficient or failed protection systems, technical error, fraud, or external events that cause interruptions to the business operations may, for example, also result in the loss of data. To retrieve or recreate a large amount of customer data would be expensive as well as time-consuming and such loss could potentially damage Nordnet's reputation. The interruption or failure of Nordnet's information technology and other systems may impair Nordnet's ability to provide its services effectively, resulting in direct financial loss which may compromise Nordnet's strategic objectives. Technological failure or underperformance could also increase Nordnet's litigation exposure or require it to incur higher administrative costs, including remediation costs.

Moreover, banks and insurance undertakings are subject to extensive requirements in relation to IT and information security, including the Swedish Financial Supervisory Authority's (the "**Swedish FSA**") (*Finansinspektionen*) regulations and general guidelines (FFFS 2014:5) regarding information security, IT operations and deposit systems, European Banking Authority (the "**EBA**") guidelines on ICT and security risk management (which came into force on 30 June 2020) and the Commission Delegated Regulation (EU) 2015/35. A failure to comply with EU regulations, EU guidelines and Swedish regulations could result in sanctions, including administrative fines, from the Swedish FSA and other regulatory authorities in markets in which Nordnet operates, and have an adverse impact on Nordnet's brand, reputation, business and results of operations.

Nordnet's operations are exposed to cyberattack threats and other external threats

The cyber threat to the financial technology sector in general is extensive and Nordnet's operations are thus exposed to cyberattacks, insider attacks and fraud. Failure or circumvention of Nordnet's data and cyber security measures could result in infringements or a loss of data. Such losses could be the result of, for example, denial-of-service or other interruptions, viruses, spyware or other unauthorised access or damage to Nordnet's systems or

data (including confidential or proprietary information about Nordnet, third parties with whom Nordnet does business and customers that use Nordnet's products, or investment holding data) as well as other malware in or sabotage of Nordnet's systems. Techniques used to obtain unauthorised access to, or sabotage, systems and data change frequently, are becoming ever more sophisticated and may not be known until launched against Nordnet or its third-party service providers. Nordnet may be unable to anticipate such incidents or may not have adequate preventative measures (including those which would enable it to recover from such an incident) in place. An incident could significantly disrupt Nordnet's operations, damage Nordnet's reputation, expose Nordnet to a risk of loss, administrative fines, sanction or litigation and expose Nordnet to the liability and loss suffered by customers. Any such incidents may also cause Nordnet to incur significant expenditure and may divert the attention of the Board and executive management team from the day-to-day management of Nordnet in order to resolve problems caused by such incidents.

Nordnet may be affected by mistakes and/or misconduct by its personnel, including non-compliance with internal and external rules and procedures

In addition to ICT and information security risks, Nordnet is exposed to operational risks related to human errors, employee misconduct, lack of efficient and adequate internal control procedures and insufficient knowledge and experience among its personnel. For example, Nordnet has previously, and may in the future, experience instances of human error and internal fraud. Its internal processes to detect such issues have in the past, and may again in the future, fail to detect and address such issues.

Nordnet's reputation is one of its most important assets of the Group. Its relationships with its customers, financial institutions, counterparties, investors and other significant market participants are of significant importance to its business. Nordnet operates in a heavily regulated industry where integrity, trust and confidence of customers are paramount. Nordnet's personnel have in the past, and may in the future, make errors or omissions during the course of providing Nordnet's services, make misrepresentations, breach applicable laws or regulations in the course of their duties or engage in other improper acts. While Nordnet is a digital platform, certain of its operations require manual input and in the past Nordnet employees have, occasionally, made errors related to such procedures. Similar acts or omissions by Nordnet's personnel could lead to financial losses for customers, litigation, sanctions and thereby reputational damage.

The COVID-19 pandemic has resulted in Nordnet modifying its operational practices in 2020 and throughout the first nine months of 2021, including implementing remote work for a significant portion of the Group's employees. These temporary changes in operational practices may increase the risk for manual errors and those could, particularly if they were to occur recurrently, adversely affect Nordnet's customers and Nordnet's reputation, and could also, as such, adversely affect Nordnet's business and results of operations.

Nordnet's revenue growth, including the recent step-up in growth, may prove difficult to maintain over time, depending on investor sentiment and market conditions

During the nine months ended 30 September 2021 the total operating income and operating profit increased by 43% and 75%, respectively, compared to the nine months ended 30 September 2020. The increased total operating income, operating profit and income in relation to savings capital during the nine months ended 30 September 2021 are attributable to, *inter alia*, increased trading activity among existing customers, the acquisition of new customers and increased net savings. Increased trading activity and customer behaviour is likely the result of many different contributing factors, whereof one is that digital business models have, in general, benefitted from the specific conditions following the outbreak of the COVID-19 pandemic. The appeal of online trading and the stock market conditions may decline in the future, which may have a negative effect on Nordnet's commission income and operating profit. A longer period of negative price developments on the Nordic stock markets may also result in less interest among Nordic consumers in securities as a savings and investment alternative and thus have a negative impact on Nordnet's future growth, see also "*A deterioration of the regional or global macroeconomic conditions could adversely affect Nordnet's business and results of operations*".

Nordnet is dependent on key employees and sufficient personnel with necessary competence

Nordnet's operations are, to a large extent, dependent upon the experience, skills and knowledge of its key employees who are the architects and implementers of Nordnet's strategy. Such employees are also important to its ability to attract and retain its customers, business and staff. Nordnet has in the past and may continue in the future to face high staff turnover, which could impact Nordnet's corporate culture. The loss of a significant number of key employees, or the inability to recruit experienced, qualified and trained staff, as needed, may cause

disruption to Nordnet's business, which could have an adverse effect on Nordnet's development and growth, and in turn on the results of operations.

The increasingly complex regulatory environment places heavy demands on compliance and competence which requires adequate knowledge and experience in various areas of expertise (see "*Nordnet operates in a regulated industry and may be subject to supervisory investigations or enforcement actions in the countries in which it operates. Changes in the legal and regulatory environment in which Nordnet operates could have an adverse effect on its business*"). The complex regulatory environment also entails a high demand for trained and experienced personnel throughout the organisation to ensure compliance with applicable external and internal rules and respond to changes in such regulations. Should Nordnet be unable to retain or attract suitable and sufficient personnel it could increase the risk of human errors, misconduct and non-compliance with applicable regulations (see also "*Nordnet may be affected by mistakes and/or misconduct by its personnel, including non-compliance with internal and external rules and procedures*").

Nordnet relies on third party services, licences and agreements for a variety of Nordnet's services and products, and these parties' failure to perform these services, provide these licences and adequately adhere to these agreements could adversely affect Nordnet's business

Nordnet uses third-party systems and solutions to operate its business and provide its products and services to its customers. For example, Nordnet is dependent on third-party systems, services and solutions in relation to its back office function, sale of credits, electronic identification of customers, certain trading facilities, data centres for running the website, cloud services and connectivity to exchanges, among others. Failures by such parties to perform and provide their services may result in Nordnet failing to provide its services and products to its customers or expose Nordnet to legal and financial risks. Nordnet has previously experienced such failures among its service providers and some of these failures have caused significant interruptions to Nordnet's provision of services. Consequently, Nordnet has taken measures in order to avoid similar failures going forward, including by replacing the third party provider in question or enhancing its diligence in relation to third party services. However, there are no assurances that such new third party providers, or other existing third party providers, will not fail in their provision of services or make other mistakes or omissions that cause new interruptions or other errors for Nordnet and its customers.

Moreover, Nordnet collaborates with third parties in its product offering, such as J.P. Morgan and E. Öhman J:or Fonder AB ("**Öhman Fonder**") (subsidiary of E. Öhman J:or AB) in its fund offering (see "*The performance of Nordnet branded funds may adversely affect Nordnet's brand and reputation, the commission received by Nordnet, its growth and ability to attract future customers and investments*"), ISEC in relation to launching a fund company, Citigroup in relation to the securities lending programme, the insurance company Bliwa for its risk insurance offering, Nordea in relation to the provision of Nordnet branded ETPs, and SEB for currency exchanges. How well these products function or perform will depend, in part, on the performance of the third party with which Nordnet collaborates. It may be difficult for Nordnet to replace these relationships or seek alternative relationships on commercially reasonable terms and any need to do so may be time consuming and result in interruptions to Nordnet's business. Nordnet's use of business outsourcing partners also exposes Nordnet to reputational risks. The failure of Nordnet's third party providers to perform their services according to Nordnet's standards, as well as any potential deterioration in, or loss of, any key relationships may have an adverse effect on Nordnet's business, results of operations and financial condition. Furthermore, the businesses Nordnet partners with could fail to comply with applicable laws and regulations or fail to otherwise provide their agreed services to Nordnet. To the extent these third parties violate laws, other regulatory requirements or their contractual obligations to Nordnet, or otherwise act inappropriately in conducting their business, Nordnet's business and reputation may be negatively affected or penalties could be imposed on Nordnet directly.

Furthermore, there is a risk that Nordnet's methods and procedures for reviewing and overseeing its outsourcing partners and other third parties, including how they operate their businesses, may prove to be insufficient and therefore does not detect the occurrence of any violations for a substantial period of time, which could exacerbate the effect of such violations. Where outsourcing is subject to regulatory requirements, Nordnet also needs to comply with several different regulations, including new guidelines from EBA (entered into force in September 2019), which entail additional requirements regarding, *inter alia*, pre-outsourcing analysis, register of contracts or exit strategies, among others. Non-compliance with applicable regulations related to outsourcing, loss of third-party relationships, or the third parties' failure to adhere to regulatory or contractual requirements, could have an adverse effect on Nordnet's business, results of operations and financial condition.

The performance of Nordnet branded funds may adversely affect Nordnet's brand and reputation, the commission received by Nordnet, its growth and ability to attract future customers and investments

Nordnet offers its customers a wide range of funds that are managed by a great variety of mutual fund companies. Customers may select their own funds from approximately 2,500 passive or actively managed funds. Some of these funds are provided by third parties but offered to Nordnet's customers under Nordnet's brand such as Nordnet's index funds. In the event that Nordnet branded funds were to perform unsatisfactorily, in particular in relation to the relevant index, this may make it difficult for such funds to attract further investments. Poor performance by Nordnet branded funds, failure to track the price development in a certain industry or among comparable products or to otherwise perform according to customers' expectations may deteriorate Nordnet's brand among customers and other investors or cause criticism of Nordnet, see also "*Nordnet is exposed to complaints, claims and negative publicity*". Performance of Nordnet branded funds is also regularly ranked such as by Morningstar and measured against the performance of competitors' funds and where these perform comparably better, this may have an adverse effect on Nordnet's brand, business and reputation, and in turn on its growth.

Political decisions and changes in the legislative environments in which Nordnet operates may affect the demand for Nordnet's products and services

Nordnet's business is dependent on customers' willingness to save and invest in shares, funds and other products offered by Nordnet, including its offering within pensions, as well as customers' willingness and ability to use Nordnet's products generally and specifically for their pension savings. Customers' behaviour in relation to investments will depend on how favourably tax policy treats such investments, among other factors. Tax treatment of savings, investments and pensions may vary over time and may differ in the countries in which Nordnet operates. For example, in 2012 the savings account type referred to as investment savings account (*investeringssparkonto*) (ISK) was launched in Sweden (with similar account types offered in Norway and Finland since 2017 and 2019, respectively). The ISK has simplified and made the buying and selling of shares and other securities more tax efficient, which has had a positive impact on Nordnet's business and growth. However, a limitation of saving amounts on ISK in Sweden as indicated by certain political parties would, if actually implemented, have a negative impact on Nordnet's business and growth. If the current tax treatment or transfer rights regarding pensions are revised or new regulations affecting investments and savings in general are imposed, Nordnet may lose customers or struggle to attract new customers to its product offering, which could have an adverse effect on Nordnet's future growth and operational profit.

Nordnet may fail to reach its targets

Nordnet has set a business plan for the period from 2021 to 2023 and established new targets for that period and strategies to reach the targets. The targets focus on customer satisfaction, customer growth, operating expenses, pay-out ratio and also address income in relation to savings capital and savings capital per customer. Nordnet's ability to reach its targets will depend on a variety of factors, such as its ability to continue to grow its customer base, quality of digital channels, price levels, customer support and corporate culture. Further, these objectives and targets have been established on the basis of certain assumptions in respect of the future impact. These include expansion of the Nordnet's current market, retention of customers and customer acquisition, development of its platform, interest rate development, regulatory development, access to financial markets, key partner relationships, relative revenue contribution, new product and service launches, personnel and IT software and equipment needs, marketing and customer acquisition costs and competitive landscape. In addition, Nordnet's estimates and assumptions regarding the pace and direction of the savings and investment markets may be flawed or based upon incorrect projections of sustained customer behaviour and demand. Failure by Nordnet to implement the required strategies to reach its targets in a timely and effective manner may adversely affect its business and results of operations. Moreover, Nordnet's targets contain forward looking statements. Such forward looking statements are not guarantees of future financial performance and Nordnet's actual results could differ materially from those expressed or implied by these forward looking statements as a result of many factors, including but not limited to those described above. Investors are recommended not to place undue reliance on any of these statements.

Nordnet is exposed to complaints, claims and negative publicity

The provision of financial services is heavily regulated in all countries in which Nordnet operates (see "*Nordnet operates in a regulated industry and may be subject to supervisory investigations or enforcement actions in the countries in which it operates. Changes in the legal and regulatory environment in which Nordnet operates could have an adverse effect on its business*"). Nordnet has in the past and may in the future be subject to complaints or claims from customers in the ordinary course of business. If a large number of complaints involving substantial

losses for customers were upheld against Nordnet, finding that Nordnet did not discharge its duties properly or otherwise not provided its products or services in accordance with applicable rules and regulations, it could have an adverse effect on Nordnet's business and results of operations.

Nordnet's reputation among, and relationship with, its customers and other market participants is crucial to its business. Nordnet has experienced negative publicity in newspapers and on social media platforms, such as Twitter, in relation to, *inter alia*, certain products and services. Such publicity, even if unfounded, exposes Nordnet to reputational risk not only in relation to the criticised products and services but also in relation to Nordnet as a brand. Such negative publicity could be detrimental to the attractiveness of Nordnet's products and services and could have an adverse effect on Nordnet's revenues and future growth.

Risks related to Nordnet's financial situation

Nordnet is subject to capital and liquidity ratio requirements and must have adequate capital and liquidity buffers

Nordnet Bank AB ("**Nordnet Bank**"), Nordnet Consolidated Situation, Nordnet Pensionsförsäkring AB ("**Nordnet Pension**"), Nordnet Livsförsäkring AS ("**Nordnet Livsförsäkring**") and Nordnet's insurance group are subject to capital adequacy and liquidity regulations, which aim to put in place a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions and insurance companies.

Regulations which have impacted Nordnet and are expected to continue to impact the Nordnet include, among others, the Basel III framework, the EU Capital Requirements Directive 2013/36/EU ("**CRD IV**"), as amended by Directive (EU) 2019/878 ("**CRD V**"), and the EU Capital Requirements Regulation (EU) No. 575/2013 ("**CRR**"), as amended by Regulation (EU) 2019/876 ("**CRR II**"), the Solvency 2 Directive 2009/138/EC and the Solvency 2 Regulation (EU) 2015/35 (collectively, "**S2**").

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

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality, common equity tier 1 ("**CET1**") capital, additional tier 1 capital and tier 2 capital. CRR II also includes a binding leverage ratio requirement (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop to risk-weighted capital requirements) for all institutions subject to the CRR. In addition to the minimum capital requirements, CRD IV provides for further capital buffer requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to Nordnet as determined by the Swedish FSA.

The countercyclical buffer rate is a capital requirement which varies over time and is to be used to support credit supply in adverse market conditions. On 16 March 2020 the countercyclical capital buffer for Sweden was lowered from the previous 2.5 per cent. to 0 per cent. as a pre-emptive measure to avoid a credit crunch due to the developments surrounding the coronavirus pandemic and the spread of the coronavirus and their impact on the economy. On 29 September 2021, the Swedish FSA communicated that they will increase countercyclical buffer to 1 per cent, which will apply from the 29 September 2022. The countercyclical buffers in Norway and Denmark will also be increased during 2022, to 1.5 per cent and 1 per cent respectively, which will increase Nordnet's overall capital requirement since a portion of Nordnet Bank's exposures is originated in these Nordic countries. A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by Nordnet, for example, dividends on CET1 and coupon payments on tier 1 capital instruments. The Swedish FSA has decided that Nordnet shall have a Pillar 2 Guidance for Leverage Ratio of 0.9 per cent. This is not to be compared with the minimum requirement of 3 per cent, and a violation of the Pillar 2 Guidance does not automatically lead to consequences such as restrictions in dividends. The Swedish FSA has the possibility to intensify its follow-up or decide on a Pillar 2 requirement if the Pillar 2 Guidance is violated on multiple occasions. This relates primarily to the introduction of leverage ratio requirements and changes in the application of Pillar 2 requirements, as well as the implementation of Pillar 2 guidance and the application of the capital buffers.

The conditions of Nordnet's business as well as external conditions are constantly changing and the full set of capital adequacy rules applicable continues to evolve. For the foregoing reasons, Nordnet and/or its consolidated situation or insurance group can potentially be required to raise additional capital in the future. Such capital, whether in the form of debt financing, hybrid capital or additional equity, is not always available on attractive terms, or at all. If Nordnet is required to make additional provisions, increase its reserves or capital, or exit or

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

Serious or systematic deviations by Nordnet from the above regulations would most likely lead intervention by regulators or the imposition of sanctions. Further, any increase in the capital and liquidity requirements could have a negative effect on Nordnet's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise capital on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase). The degree to which regulatory capital and liquidity requirements risks may affect Nordnet is uncertain and presents a highly significant risk to Nordnet's funding and liquidity position.

Nordnet is exposed to interest rate risks

Interest rate risk is the risk that the fair value of, or future cash flows emanating from, a financial instrument will vary as a result of changes in market interest rates. Nordnet is exposed to interest rate risk in the form of price and cash flow risk arising from maturity imbalances between assets and liabilities and in changes in the value of assets due to market interest rate fluctuations. Nordnet offers its customers credits at variable interest rates, and these credits are mainly financed by deposits from customers at variable interest rates. A deterioration of Nordnet's net interest position due to an unfavourable change in the market could have an adverse effect on Nordnet's results of operations where Nordnet's strategies to reduce the interest rate risk, such as hedging, prove to be inefficient or insufficient.

Nordnet is exposed to the risk that the fair value of the liquidity portfolio is affected by changes in the credit spread. The liquidity portfolio is actively managed by Nordnet's treasury team, where surplus liquidity primarily is invested in municipal bonds, covered bonds and investment grade papers. The excess liquidity creates interest rate risks, since a change of market rates may lead to losses from these investments.

Based on the interest bearing assets in Nordnet as of 30 of September 2021 which are re-evaluated to fair value, a negative one (1) percentage point change in the market interest rate would have a SEK 51 million impact on the Company's equity. With a liquidity of SEK 51 billion, a negative one (1) percentage point change in the market interest rate, could have an annual effect of SEK 510 million on operating profit, not taking into account any corresponding changes to the interest rate made in relation to the deposit customers.

Nordnet is exposed to currency risk

Currency risk is the risk that the fair value of, or future cash flows emanating from, a financial instrument fluctuates from changes in foreign exchange rates. Nordnet's functional currency is SEK and Nordnet's primary currency exposure is to NOK, DKK and EUR. Currency-based earnings arise primarily from customers' currency exchange in connection with cross-border trading. Unfavourable exchange rate movements could have an adverse effect on Nordnet's results of operations. The exposure typically arises intra-day, as Nordnet only holds minor flow-related currency positions over more than one banking day. As of 30 September 2021, the Group's total net exposure in foreign currency amounted to SEK 695 million. An unfavourable exchange rate development of 10% in each currency entails an effect of approximately SEK 69 million, which would be charged against operating profit by SEK 69 million.

Nordnet is exposed to credit risk and risks relating to counterparties and adverse changes in the credit quality of Nordnet's customers

Credit risk is the risk of financial loss to Nordnet if a customer or counterparty to a financial instrument or otherwise fails to meet its contractual obligations. Nordnet's exposure to credit risk arises primarily in the granting of credit to bond issuers and to Nordnet's customers. Nordnet could incur losses if the borrowers are not able to meet their payment obligations and where any securities provided as collateral do not cover Nordnet's claims against borrowers. Nordnet's granting of credit in the form loans consists of margin lending across its four geographic markets, as well as mortgages and personal loans in Sweden. Margin lending consists of lending against collateral in market-listed shares and fund units. As of 30 September 2021, the total provisions for expected credit losses amounted to SEK 110.4 million and during the nine month ended 30 September 2021, Nordnet's net credit losses amounted to SEK 23.9 million. There is a risk that the total provisions for expected credit losses and actual credit losses will increase as a result of a depressed job market.

Nordnet's credit risk exposure also comprises counterparty risks. Counterparty risks, defined as the risk that a counterparty in a financial transaction is unable to fulfil its commitments and thereby causes a loss for the other

party, primarily arise in the handling of Nordnet's liquidity portfolio, but also occur in the customers' securities trading.

Adverse changes in the credit quality of Nordnet's customers, counterparties or any security that has been provided as collateral could affect the recovery and value of Nordnet's assets, which may in turn require an increase in provisions made for bad and doubtful debts and other provisions, and result in adverse effects on Nordnet's results and financial position.

Nordnet is subject to risks relating to its insurance products, including the actuarial calculations

Nordnet is subject to risks relating to its insurance products by way of, for example, risk for losses as a result of unexpected changes in operational costs, customer behaviour and demographical changes. The risks may be realised if the cost of satisfying its insurance obligations were to increase more than expected or if policyholders transfer or repurchase their insurance to a greater extent than expected. Further, the insurance portfolio is to some extent exposed to mortality risks. This is mainly relevant for endowment insurances, as 101% of the insured capital is paid to the survivor the event of death. The total risk amount is limited in this sense, but individual mortality insurance payments can give rise to differentiating risk results for each specific year.

Insurance products have an indirect exposure to market risks as Nordnet's revenue is in part related to the savings capital. However, Nordnet's products consist of fund- and custodian insurances where the policyholder or the insured bears the risk for the investment and the direct exposure to market risk is therefore limited.

Nordnet is subject to rules regarding, *inter alia*, the calculation of technical provisions, including the underlying assumptions and methods, data quality and the documentation of the actuarial calculations (*Försäkringstekniskt beräkningsunderlag*). A failure to comply with these rules may lead to sanctions and have a negative impact on Nordnet's reputation.

Uncertainties regarding the transition away from or possible discontinuance of the London Inter-Bank Offered Rate ("LIBOR") or other interest rate benchmark could have adverse consequences for market participants, including Nordnet

LIBOR is extensively used as a "benchmark" or "reference rate" across various financial products and markets globally. The U.K. Financial Conduct Authority (the "FCA") has raised questions about the future sustainability of LIBOR, and, as a result, the FCA obtained voluntary panel bank support to sustain LIBOR only until 2021, and LIBOR is expected to be discontinued as early as 1 January 2022. In addition, following guidance provided by the Financial Stability Board, other regulators have suggested reforming or replacing other benchmark rates with alternative reference rates. For example, the Swedish Bankers' Association (*Bankföreningen*) has published a consultation on STIBOR fallbacks and the Swedish National Bank (*Riksbanken*) has recommended that market participants should switch to using the transaction-based SWESTR (Swedish krona Short Term Rate) instead of STIBOR at its shortest maturity. Also, in May 2021 the EUR Working Group issued its recommendations on trigger events for fallbacks in EURIBOR-related contracts and €STR-based fallback rates that could be used if a EURIBOR fallback is triggered.

Accordingly, the transition away from and discontinuance of LIBOR or any other benchmark rate may cause various uncertainties, risks and challenges to financial markets and institutions, including Nordnet. These include, *inter alia*, the pricing, liquidity, value of, return on and market for financial instruments and contracts that reference LIBOR or any other applicable benchmark rate.

Nordnet holds various securities or products using different reference rates, including, *inter alia*, EURIBOR, STIBOR, NIBOR, CIBO, LIBOR and CITA, in its liquidity portfolio. The transition away from and discontinuation of LIBOR, or any other applicable reference rate, presents operational, financial and other risks to Nordnet. For example, a LIBOR transition can entail various challenges related to the contractual mechanics of existing floating rate financial instruments and contracts that reference any such reference rate as a benchmark. Many, but not all of these instruments and contracts, provide for fall-back structures with alternative benchmark rates, which may make it unclear what the future benchmark rates would be after the cessation of LIBOR, or any other reference rate, in relation to these instruments. Even if the instruments and contracts provide for a transition to alternative benchmark rates, the new benchmark rates may differ from the prior rates. As a result, Nordnet may need to proactively address any contractual uncertainties or rate differences in such instruments and contracts, which would likely be both time consuming and costly.

Changes in the value of Nordnet's goodwill could adversely impact Nordnet's results of operations

As of 30 September 2021, Nordnet's goodwill amounted to SEK 637,0 million, of which SEK 436,1 million related to the acquisition of Netfonds Bank AS and Netfonds Livsforsikring AS in 2019. Goodwill represents the surplus between the acquisition value, the business combination and the net fair value of an acquired entity. Goodwill has an indefinite tenor and the value of the recognised goodwill is therefore tested at least once a year to determine whether the asset may be impaired. Deviations from Nordnet's assumptions of future growth and profitability may lead to impairment in conjunction with future tests concerning changes in goodwill values, which could adversely affect Nordnet's results of operations and financial condition.

Legal and regulatory risks

Nordnet operates in a regulated industry and may be subject to supervisory investigations or enforcement actions in the countries in which it operates. Changes in the legal and regulatory environment in which Nordnet operates could have an adverse effect on its business

Nordnet's operations are subject to legislation, regulations and codes of conduct, among others, in all the countries in which it operates (Sweden, Norway, Denmark and Finland), whether through a subsidiary or a subsidiary branch and in relation to the products it markets and sells. Three of Nordnet's subsidiaries, Nordnet Bank, Nordnet Pension and Nordnet Livsforsikring, conduct highly regulated activities and are supervised by the Swedish FSA or the Norwegian Financial Supervisory Authority (*Finanstilsynet*) (the "Norwegian FSA"), as applicable. During the nine months ended 30 September 2021 36.1% of Nordnet's operating income related to the business in Sweden, 20.6% to the business in Norway, 23.8% to be business in Denmark and 19.6% to the business in Finland. Therefore, Nordnet's business is dependent on the regulatory environment in these countries.

Nordnet Bank, as a Swedish bank and investment firm, Nordnet Pension, as a Swedish insurance company, as well as the consolidated Group, including, the insurance group and the financial conglomerate as a whole, are subject to supervision by the Swedish FSA with regard to, *inter alia*, solvency and capital adequacy, as well as rules on internal governance and control. At the end of March, it was announced that the Swedish FSA decided to conduct an investigation of Nordnet Bank AB regarding internal governance and control in relation to the Regulation (EU) 236/2012 on short selling and certain aspects of credit default swaps. The background of the investigation is short-selling transactions that were conducted by customers in Nordnet Bank in a listed company in February 2021. Due to those short-selling transactions, the Swedish FSA wants to review Nordnet's internal procedures and processes for short selling and their application. Nordnet has sent the Swedish FSA the material requested, and a meeting has been held between the parties. The review is ongoing and to the date of this Prospectus the outcome is not known.

As a result of conducting consumer operations on a cross-border basis in various countries, consumer agencies, financial supervisory authorities, and other authorities in these countries have jurisdiction over many aspects of Nordnet's business, including marketing and selling practices, remuneration models, advertising, general terms of business and legal debt collection operations. Nordnet is also subject to EU regulations with direct applicability and EU directives that are implemented through local legislation. In the event of a failure to comply with the applicable rules for the regulated businesses, the licences for Nordnet's subsidiaries granted by the Swedish FSA and Norwegian FSA may ultimately be revoked and such subsidiaries would therefore be required to discontinue all its regulated business operations. Operating in a highly regulated environment not only exposes Nordnet to the risk of monetary fines and other penalties, but also entails significant costs and resources to implement, adapt, monitor and otherwise manage the operations in accordance with applicable rules as they evolve, including but not limited to the General Data Protection Regulation ("GDPR"), anti-money laundering regulations and EU Directive 2014/65/EU on markets in financial instruments ("MiFID II").

In recent years, partly as a response to the 2008 financial crisis, banking, investment and insurance businesses have become subject to increased regulation on an EU level and the regulatory landscape is continuously evolving. New, amended or repealed laws and regulations, regulatory ordinances, guidelines and codes of conduct could, in addition to leading to increased complexity and higher demands on Nordnet's legal and control functions and the business in general, also impose restrictions on how Nordnet operates its business, which could have an adverse effect on Nordnet's earnings. Nordnet is unable to predict what regulatory changes will be imposed in the future as a result of regulatory initiatives in the EU, by the Swedish FSA, the Norwegian FSA, the EBA, the European Securities Market Authority (ESMA), the European Insurance and Occupational Pension Authority

(the “EIOPA”), or by any other authorities and agencies. Failure to comply with applicable laws and regulations or adapt to changes in the legal and regulatory environment may subject Nordnet or its subsidiaries to administrative fines and other penalties, which could have an adverse effect on Nordnet’s reputation, business, financial condition and results, and ultimately result in the revocation of licences held by Nordnet’s subsidiaries.

Nordnet’s business is subject to anti-money laundering and terrorist financing (“AML”/“CTF”) regulations and Nordnet or its subsidiaries may fail to comply with these and be exposed to risk of substantial sanctions

Nordnet’s business is subject to AML and CTF laws as well as other regulations in each of the Nordic countries it operates in, which requires subsidiaries of Nordnet to take actions in order to counteract money laundering and terrorist financing. In order to comply with the framework, Nordnet needs to establish and maintain substantial procedures, internal control functions and guidelines to identify and counteract money laundering and terrorist financing. Nordnet has been operating its business since 1996 and as of 30 September 2021 Nordnet had approximately 1,537,200 customers in Sweden, Norway, Denmark and Finland combined. Nordnet’s legacy from operating a regulated financial business for a long time combined with having a substantial number of private persons as customers in different countries enhances the exposure to compliance risk for Nordnet. These exposures to compliance risk relate to, *inter alia*, know-your-customer (“KYC”) procedures as Nordnet has both a large amount of passive customers who have not been active in a long time, and also a large inflow of new customers where Nordnet needs to have efficient KYC procedures in place. Operating in various countries also increases the risk of failure to comply with applicable AML/CFT regulations as KYC procedures may not be tailored in the exact same way in all jurisdictions due to technical, customer behavioural and regulatory differences between the countries. Consequently, Nordnet’s business is subject to heavy demands on KYC-processes, transaction monitoring, terrorist financing screening and other related activities and assessments by Nordnet. As a result, it is both costly and time-consuming for Nordnet to comply with the applicable AML/CFT regulations and requires Nordnet to have competent, experienced and sufficient personnel resources and adequate internal control procedures, see also “*Nordnet is dependent on key employees and sufficient personnel with necessary competence*” and “*Nordnet may be affected by mistakes and/or misconduct by its personnel, including non-compliance with internal and external rules and procedures*”. The demands referred to above have become even stricter over the past years, which has gradually led to increased complexity.

Nordnet may fail, currently or in the future, to be compliant with applicable laws and regulations on money laundering and terrorist financing due to, among other things, failures within internal processes, human errors and failure by third parties to which Nordnet have outsourced certain processes. Failure to comply with the applicable laws and regulations could result in sanctions, remarks or warnings, fines or other punitive measures and ultimately lead to Nordnet’s subsidiaries’ licences being revoked. There is also a risk that business relationships and Nordnet’s reputation would be damaged. Accordingly, failure to comply with AML and terrorist financing legislation and regulations could have an adverse impact on Nordnet’s business, results of operations and financial condition.

Nordnet processes a large amount of personal data and may fail to comply with the EU General Data Protection Regulation and thereby be exposed to the risk of substantial monetary sanctions

As part of Nordnet’s business operations, Nordnet processes large amounts of personal data on a daily basis, primarily in relation to the customers’ use of Nordnet’s services. The EU has adopted the GDPR, which regulates the protection of natural persons with regard to the processing of personal data and on the free movement of such data. GDPR governs Nordnet’s ability to obtain, retain, share and otherwise process customer data. Nordnet’s compliance with GDPR is subject to supervision by national data protection authorities. These authorities may, from time to time, review or audit Nordnet’s data protection practices. Nordnet may not be compliant with the GDPR due to, among other things, shortcomings in internal processes, human errors and failures related to Nordnet’s IT systems. Failure to comply with GDPR could subject Nordnet to a substantial monetary fine, including administrative fines up to the greater of EUR 20 million or 4.0% of the Group’s total global annual turnover, which could lead to Nordnet having to make sizable provisions to cover such potential penalties and may damage Nordnet’s market standing and financial position, as well as negative publicity in the media.

On 16 July 2020, the European Court of Justice announced its judgment in case C-311/18 (the “*Schrems II case*”) concerning the permissibility of transferring personal data from parties established within the EU to so-called “third countries” (countries outside the EU). The decision means that the certification that companies have previously been able to rely on when transferring personal data to the US, the so-called “Privacy Shield” was declared void with immediate effect. The ruling also states that EU standard contractual clauses approved by the

European Commission constitute an appropriate safeguard measure for the processing of personal data in third countries, provided that in combination with other safeguard measures it is possible to ensure that the legal regime does not stand in the way of an adequate level of protection. Nordnet has continuously monitored the legal situation and evaluated the need for supplementary measures in connection with the ruling.

Nordnet relies on its licence to conduct banking and financing business and its licence to conduct securities business; a loss of these licences could adversely affect Nordnet's business

The Swedish Banking and Financing Business Act (2004:297) (*lagen om bank- och finansieringsrörelse*) (the “BFBA”) and the Swedish Securities Markets Act (2007:528) (*lagen om värdepappersmarknaden*) (the “SMA”) requires all Swedish companies that conduct banking and financing business or securities business to hold a valid licence granted by the Swedish FSA. Nordnet Bank's banking licence has an indefinite duration, but may under certain circumstances be revoked by the Swedish FSA. Pursuant to the BFBA and SMA, the Swedish FSA must intervene if Nordnet Bank violates its obligations under the BFBA and SMA, other regulations governing its business, its articles of association or other policy documents issued pursuant to provisions governing Nordnet Bank's banking operations. The Swedish FSA may then issue an order to limit or reduce the risks of the operations in some respect and in cases of material violations, the Swedish FSA can, as an ultimate measure, revoke the licences, following which the banking business will have to be wound up. A decision to revoke the licenses may be combined with an order to immediately cease to conduct the business. If deemed sufficient, taking into consideration, *inter alia*, the nature, gravity, duration and potential effects of the violation on the financial system, the Swedish FSA can, instead of revoking Nordnet Bank's banking licences, issue a warning. Remarks and warnings may be combined with monetary fines, the maximum of which shall be the highest of EUR 5 million, 10% of the company's or the Group's annual turnover or two times the cost avoided or profit realised from the violation, where such amount can be ascertained. Nordnet's operations are contingent upon the banking licence issued to Nordnet Bank. The loss of the licences will require Nordnet Bank to cease its banking operations which would jeopardise Nordnet's future existence. If Nordnet Bank is subject to sanctions, remarks or warnings and/or fines imposed by the Swedish FSA, it could cause significant, and potentially irreparable, damage to the reputation of Nordnet and, as a result could have an adverse effect on Nordnet's business, results of operations and financial condition.

Nordnet relies on a Swedish insurance business licence to conduct certain operations and loss of this licence could adversely affect Nordnet's business

The Swedish Insurance Business Act (*försäkringsrörelselagen* (2010:2043) (the “IBA”) stipulates that an insurance business may only be conducted pursuant to a licence granted by the Swedish FSA. Nordnet Pension's insurance licence has an indefinite duration, but may under certain circumstances be revoked by the Swedish FSA. Pursuant to the IBA, the Swedish FSA must intervene if Nordnet Pension violates its obligations under the IBA, other regulations governing its business, its articles of association or bylaws, technical guidelines, guidelines for technical provisions, guidelines for the handling of conflicts of interest or other policy documents issued pursuant to provisions governing Nordnet Pension's business. Furthermore, the Swedish FSA must intervene if the articles of association, technical provisions, guidelines for handling of conflicts of interest or the other policy documents are no longer satisfactory with regards to the nature and scope of Nordnet Pension's business. The Swedish FSA may then order Nordnet Pension to rectify the issue within a specified period of time, prohibit its execution of decisions or issue a remark. The Swedish FSA may also, under some circumstances, restrict Nordnet Pension's right of disposition or prohibit it from disposing of its assets in Sweden. If a violation is severe, Nordnet Pension's licence could be revoked or, if deemed adequate, a warning could be issued by the Swedish FSA. If the licence is revoked, the insurance business will have to be wound up. The Swedish FSA may combine any order or prohibition with a conditional fine and any remark or a warning with a financial penalty of up to SEK 50 million (and not more than 10% of the annual turnover for the previous year). Nordnet's operations are contingent upon the insurance licence issued to Nordnet Pension by the Swedish FSA. The loss of the licence will require Nordnet Pension to cease its insurance operations which could jeopardise Nordnet's future existence. If Nordnet Pension would be subject to sanctions, remarks or warnings or fines imposed by the Swedish FSA, this would cause significant, and potentially irreparable, damage to the reputation of Nordnet and, as a result, this could have an adverse effect on Nordnet's business, results of operations and financial condition.

Nordnet Livsforsikring's relies on a Norwegian insurance licence to conduct its operations and loss of this licence could have an adverse impact on Nordnet's business

The Norwegian Financial Institutions Act (*finansforetaksloven*) (the “FIA”) and the Norwegian Insurance Act (*forsikringsvirksomhetsloven*) (the “IA”), stipulate that insurance business may only be conducted pursuant to a

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

Nordnet may fail to comply with MiFID II in all countries in which it operates and thereby be exposed to the risk of sanctions

MiFID II entered into force in 2018 and has been implemented in Sweden through, *inter alia*, the SMA, the Commission Delegated Regulation (EU) 2017/565 and the Swedish FSA's regulations regarding investment services and activities (FFFS 2017:2) (*Finansinspektionens föreskrifter om värdepappersrörelse*). MiFID II is also applicable to Nordnet's investment services and activities in Norway, Denmark and Finland under local rules, regulators and regulations. Under MiFID II related rules and regulations Nordnet is subject to comprehensive requirements when providing investment services, including requirements related to the process for producing and distributing financial instruments as well as restrictions on when Nordnet may receive or pay commissions to third parties. The rules also obligate Nordnet to identify and manage all potential conflicts of interest associated with its investment services and to provide adequate information to its customers in relation to the investment services, such as detailed information on all costs and charges associated with the investment services offered and provided. The implementation of MiFID II in the countries in which Nordnet operates has brought additional compliance demands upon Nordnet and further increased the complexity of the regulatory framework applicable to Nordnet and its business. It has also caused Nordnet to adapt its business, for example by altering its fee model in Norway and Denmark, and may require Nordnet to make future adjustments to its business model in different ways in the countries in which it operates, which could potentially have an impact on Nordnet's business as well as its earnings. The Swedish FSA and other relevant regulators may provide further guidance and interpretations of the rules and requirements, and Nordnet, as well as the investment services industry in general, may differ in their interpretations of the rules and requirements from the views of the applicable regulator, which could expose Nordnet to the risk of potential sanctions.

Nordnet's insurance distribution business is regulated by the Insurance Distribution Directive and violation of this directive may result in monetary fines, an order to cease conduct or a withdrawal of the licence

Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (the "IDD") regulates how insurance products may be designed and sold both by insurance intermediaries and directly by insurance undertakings. As such the IDD is applicable both to Nordnet Bank (as intermediary) and Nordnet Pension (as insurance undertaking). IDD was implemented in Sweden in October 2018 and it is anticipated that corresponding legislation will be adopted in Norway in 2022, which would be applicable to Nordnet Livsforsikring. The IDD sets forth the information that should be provided to customers before the signing of an insurance contract, imposes extensive rules on business conduct and transparency on distributors, clarifies procedures and rules for cross-border business and contains rules for the supervision and sanctioning of insurance distributors in case of a breach of the provisions of the directive.

The rules apply to the sale of all insurance products, but stipulate more prescriptive rules to those distributors that sell insurance products with an investment element such as unit-linked life insurance contracts. As the legislation on insurance distribution (formerly insurance mediation) affects not only insurance mediators but also insurance undertakings, which creates requirements for Nordnet Pension as it needs to ensure that its policies and procedures are compliant with the IDD. Failure to comply with the IDD exposes the distributor, and where applicable its

members of management, to sanctions in the form of monetary fines, an order to cease the conduct and ultimately, the licence being revoked.

The transition to sustainable finance raises new risks for Nordnet's business that may impact its profitability and success

The transition to sustainable finance raises new risks for Nordnet's business that may impact its profitability and success. In particular, environmental, social and governance ("ESG") matters have been the subject of increased focus by regulators in the EU. Failure to keep pace with the general transition toward sustainability could impact Nordnet's competitiveness in the market and damage its reputation resulting in an adverse effect on its business. In addition, failure to comply with applicable legal and regulatory changes in relation to ESG matters may attract increased regulatory scrutiny of Nordnet's business, and could result in fines and/or other sanctions being levied against Nordnet.

The European Commission has proposed legislative reforms, which include, without limitation: (a) Regulation 2019/2088 regarding the introduction of transparency and disclosure obligations for investors, funds and asset managers in relation to ESG factors; (b) Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment; and (c) amendments to existing regulations including MiFID II and AIFMD to embed ESG requirements. As a result of these legislative initiatives, Nordnet may be required to provide additional disclosure to Nordnet's portfolio management customers with respect to ESG matters. This exposes Nordnet to increased disclosure risks, for example due to a lack of available or credible data, and the potential for conflicting disclosures may also expose Nordnet to an increased risk of misstatement litigation or mis-selling allegations. Failure to manage these risks could result in an adverse effect on Nordnet's business and results of operations.

Nordnet is subject to the Recovery and Resolution Directive which provides the authorities with certain powers and resolution measures in relation to Nordnet

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

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

In order to, among other things, ensure the effectiveness of bail-in and other resolution tools, all in-scope institutions must have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each institution must meet an individual minimum requirement for own funds and eligible liabilities ("MREL"), calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities (the Swedish National Debt Office for Sweden) on a case by case basis. However, the National Debt Office announced on 16 December 2020 that Nordnet Bank is not a systemically important institution. For institutions which are not so deemed, the MREL requirements will remain at the level of the institution's applicable capital requirements.

There can, however, be no certainty that Nordnet Bank will not be designated a systemically important institution and subject to a higher MREL requirement in the future. In addition, it is not possible to predict exactly how the

powers and tools of the National Debt Office described in the BRRD and the Resolution Act (*Lag 2015:1016 om resolution*) will affect Nordnet Bank. The powers and tools given to the National Debt Office are numerous and may have a material adverse effect on Nordnet Bank. Accordingly, the degree to which amendments to BRRD or application of BRRD may affect Nordnet Bank is uncertain and presents a significant risk to Nordnet Bank's funding and compliance costs.

Changes in accounting standards could adversely affect Nordnet

In addition to the anticipated legislative changes outlined above, legislation, regulations, regulatory ordinances and other rules can affect the business conducted by Nordnet. New or amended regulations could call for unexpected costs or restrict the development of Nordnet's business operations, which could have an adverse effect on Nordnet's results of operations and financial condition.

From time to time, the International Accounting Standards Board (the "IASB"), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of Nordnet's financial statements. These changes may impact how Nordnet records and reports its business, financial condition and results of operations.

For example, IFRS 17, which may be implemented from 1 January 2023 onwards, is likely to introduce additional requirements for insurance companies in terms of minimum capital requirements, supervisory review of insurance companies' assessment of risk and enhanced disclosure requirements. All these further requirements may have an adverse effect on Nordnet's insurance business and results of operations and financial condition.

In July 2014, the IASB issued a new accounting standard, International Financial Reporting Standard 9 (Financial Instruments) ("IFRS 9"), which became effective from 1 January 2018 and replaced IAS 39. IFRS 9 provides principles for classification of financial instruments, and provisioning for expected credit losses which are mandatory, and therefore implemented by Nordnet, as of 1 January 2018.

Nordnet is exposed to tax risks both relating to incorrect interpretations of tax regulations and changes in the tax regimes in the jurisdictions in which Nordnet operates

Nordnet's business and transactions are conducted in accordance with Nordnet's interpretation of applicable laws, tax treaties, regulations, case law and requirements of tax authorities. There is a risk, enhanced by Nordnet's cross-border operations whereby it deals with multiple tax jurisdictions and different regulators, that Nordnet's or its advisors' interpretation and application of laws, provisions and judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. Asset classifications, branch structures and hybrid entity rules, transfer pricing and VAT recovery are some examples of tax areas that generally are associated with complexity within the industry.

The transfer pricing allocation model applied between Nordnet Bank AB and its branches, where revenue and expenses are allocated to the country in which the customer is located, is commonly used in the financial services industry. It cannot be excluded that tax authorities could deem a different model more appropriate.

Further, a memorandum with a proposal to introduce a new tax for larger banks and other credit institutions was presented by the Ministry of Finance on 17 September 2020. The proposal suggests that a so-called risk tax shall be introduced for banks and credit institutions with debts exceeding a certain threshold. The tax rate is set at 0.06% of a certain tax basis for financial years commencing on or after 1 January 2022 and is suggested to increase to 0.07% for financial years commencing on or after 1 January 2023. The proposal is expected to be adopted into law on 1 January 2022. The Danish government has announced that they plan to finance a new pension reform partly by increasing tax rates for financial institutions in Denmark, and a majority of the Danish parliament has voted for introducing the new pension reform, but no proposal of new tax law has yet been presented. There are also general political discussions around introducing tax on financial transactions (Tobin tax) in a number of EU countries, including Denmark. Further, a future potential change of the capital yield tax could potentially burden the Group's insurance business. In December 2019, the Swedish Tax Authority proposed that the Finance Department should initiate an investigation regarding the tax rules for life insurance companies which would entail an increased taxation of the Group, but it remains unclear whether the current rules will change. Nordnet's tax situation for previous, current and future years may change as a result of legislative changes, such as the potential changes described above, decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities. Such decisions or changes could have an adverse effect on Nordnet's results of operations and financial condition.

Nordnet may not be able to protect or enforce its intellectual property rights

Nordnet does not currently have any registered intellectual property protection in respect of technology or products that it has developed. Nordnet currently relies upon laws and clauses in employment, consultancy and other agreements relating to trade secrets, confidential information and non-compete to limit the ability of others to compete with Nordnet using its proprietary technology. These rights only afford limited protection and may not adequately protect Nordnet's intellectual property to the extent necessary to sustain any competitive advantage Nordnet currently may have. Nordnet has trademark protection for its brand name and symbol and has processes in place to monitor their use. These processes may be insufficient to detect unfair use of Nordnet's intellectual property and such unfair use could have an adverse impact on Nordnet's reputation and business.

Nordnet is exposed to risks related to changes to the Swedish Deposit Insurance Scheme

The Swedish Deposit Insurance Scheme ("SDIS") guarantees deposits in the event that Nordnet Bank is declared bankrupt or if the Swedish FSA determines that the SDIS should be activated in a given situation. The SDIS is administered by the Swedish National Debt Office. If activated, each customer is guaranteed compensation amounting to the total value of the total funds in their account(s) with Nordnet Bank, including accrued interest, until the time of bankruptcy or the Swedish FSA's activation decision. The maximum compensation is currently SEK 1,050,000 (for branches, the compensation is according to the locally applied limits). Nordnet is exposed to the risk of changes in the SDIS framework such as a change in what account types that are covered by the guarantee or a change in the fees payable to the Swedish National Debt Office. Such changes could have an adverse effect on the amount of customer savings deposits held by Nordnet or entail higher costs for Nordnet.

Risks related to the Notes

Nordnet's obligations under the Notes are deeply subordinated

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

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with
 - (i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and
 - (ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

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

- (iii) except as expressly stated in paragraph (a) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital; and
- (iv) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*).

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

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

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

As noted in the risk factors “*Nordnet is subject to the Recovery and Resolution Directive which provides the authorities with certain powers and resolution measures in relation to Nordnet*” and “*Loss absorption at the point of non-viability of Nordnet Bank*” above, there is a risk of the Notes being written-down or converted into other securities in a resolution scenario or at the point of non-viability of the Issuer.

Interest payments on the Notes may be cancelled by the Issuer

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

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

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

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

Loss absorption following a Trigger Event

If at any time the CET1 ratio has fallen below 7.00 per cent of Nordnet Consolidated Situation, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be written down by an amount sufficient to restore the CET1 ratio of Nordnet Consolidated Situation to at least 7.00 per cent., provided that the Nominal Amount of each Note may not be written down below SEK 1. The write down of the Notes is likely to result in a holder of Notes losing some or all of its investment. Following any such reduction of the Total Nominal Amount, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require unanimous approval at a shareholders’ meeting of the Issuer).

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

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

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

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

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

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

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

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

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

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

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

The Notes, however, have no fixed final redemption date and the Noteholders have no rights to call for the redemption of the Notes, and the Noteholders should not invest in the Notes with the expectation that such a call will be exercised by the Issuer. The Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call or that the Issuer will not exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

Substitution or variation of the Notes

Subject to Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) of the Terms and Conditions and the prior written permission of the Swedish FSA, the Issuer may, at its

option and without the permission or approval of the relevant Noteholders, elect to substitute or vary the terms of all (but not some only) outstanding Notes for, or so that they become or remain, as applicable, Qualifying Securities if a Capital Event or Tax Event occurs.

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

Structural subordination and dependence on upstreaming of funds

The Issuer is a holding company and the proceeds from the issue of the Notes will be contributed to Nordnet Bank as an unconditional shareholders' contribution. Nordnet's business is conducted by the Issuer's subsidiaries and the Issuer is reliant on the financial performance of these subsidiaries and their ability to make dividend distributions and other payments, to enable it to meet its payment obligations (including making payments under Notes). All subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. No present or future subsidiary, or other member of the Group will guarantee or provide any security for the Issuer's obligations under Notes.

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

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

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

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

The degree to which any other asset pledged may affect the Noteholders is uncertain and presents a highly significant risk to the amount recoverable by Noteholders.

European Benchmarks Regulation

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

The Terms and Conditions provide that the interest rate benchmark STIBOR, which applies for the Notes, can be replaced as set out therein, upon the occurrence of a Base Rate Event which includes if STIBOR ceases to be calculated or administered. Such replacement shall be made in good faith and in a commercially reasonable manner and is always subject to the Applicable Banking Regulations and the prior written consent of the Swedish FSA.

However, there is a risk that such replacement is not made in an effective manner and consequently, if STIBOR ceases to be calculated or administered, an investor in the Notes would be adversely affected. The degree to which amendments to and application of the European Benchmarks Regulation may affect the Noteholders is uncertain and presents a highly significant risk to the return on the Noteholder's investment.

OVERVIEW OF THE NOTES

This section is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on page 28 and onwards below.

The Notes

The Issuer has issued 300 Notes with a Nominal Amount of SEK 2,000,000 each. The Notes are denominated in Swedish kronor. The aggregate nominal amount of the Notes is SEK 600,000,000.

ISIN code

The Notes have been allocated the ISIN code SE0017072234.

Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. Hence, no physical notes have issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator. Clearing and settlement relating to the Notes, as well as payment of Interest and redemption of principal amounts, will be performed within the CSD's account-based system and is reliant on the functioning of such system.

Status of the Notes

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

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with (i) any obligations or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (ii) any other obligations or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (c) senior to holders of all classes of the Issuer's shares in their capacity as such holders and any other obligations or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (d) junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, (iii) any senior non-preferred creditors falling within the scope of the first paragraph of Section 18 of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*), and (iv) except as expressly stated in (ii) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

Issuance, repurchase and redemption

First Issue Date and tenor

The Notes were issued on 16 November 2021. The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in Clause 12 (*Redemption and repurchase of the Notes*) of the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time.

Purchase of Notes by the Issuer and related companies

Subject to applicable law and clause 12.5 (*Permission from the Swedish FSA*) of the Terms and Conditions, a Group Company, or other company forming part of the Nordnet Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained, sold or cancelled.

Early redemption at the option of the Issuer

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

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

Noteholders should not invest in the Notes with the expectation that a call will be exercised by the Issuer. The Issuer might not elect to exercise such a call. Further, the Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes indefinitely.

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

Subject to permission from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be (i) redeemed on any Interest Payment Date or (ii) substituted or varied without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with the Terms and Conditions in relation to the Qualifying Securities so substituted or varied.

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

Payments in respect of the Notes

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

Interest

Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. The Interest Rate will be the Base Rate, i.e. STIBOR or any reference rate replacing STIBOR in accordance with Clause 20 (*Base Rate replacement*) of the Terms and Conditions, plus a margin of 3.90 per cent. (and any applicable Adjustment Spread) per annum.

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

The Interest Payment Dates will be 16 February, 16 May, 16 August and 16 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 16 February 2022 and the last Interest Payment Date shall be the relevant Redemption Date.

Interest cancellation

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

- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Banking Regulations; or
- (b) will be mandatorily cancelled to the extent so required by the Applicable Banking Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

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

Trigger Events, loss absorption and reinstatement

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

If at any time a Trigger Event occurs, the Issuer shall procure that Nordnet Bank shall immediately notify the Swedish FSA and the Issuer shall immediately notify the Noteholders and the Agent in accordance with the Terms and Conditions and the Total Nominal Amount or the Issuer's payment obligation under the Notes shall be written down. A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with Nordnet Bank and the Swedish FSA and in accordance with the rules of the CSD. The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would restore the CET1 ratio of the Nordnet Consolidated Situation to at least 7.00 per cent, at the point of such write-down, provided that the maximum reduction of the Total Nominal Amount shall be down to SEK 300 (i.e. down to a Nominal Amount per Note of SEK 1).

Following a write-down of the Total Nominal Amount, the Issuer may, at its absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Banking Regulations. Reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the rules of the CSD. For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), being SEK 600,000,000.

European Benchmarks Regulation

The Interest payable under the Notes is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. This benchmark is provided by the Swedish Financial Benchmark Facility. At the date of this Prospectus, the Swedish Financial Benchmark Facility does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. However, the Swedish Financial Benchmark Facility has indicated that it is in the process of seeking authorisation from the Swedish FSA to operate as an approved administrator under the Benchmark Regulation and intends to submit a formal application for authorisation as administrator for STIBOR during 2021.

Admission to trading of the Notes

The Issuer shall use reasonable efforts to ensure that the Notes are admitted on Nasdaq Stockholm within 30 days from the Issue Date, and that it remains admitted to trading or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

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

For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to admit the Notes to trading or maintain admission to trading of the Notes in accordance with the above occurs.

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

Decisions by Noteholders

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

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

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

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

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

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

No direct action by Noteholders

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

No right for the Noteholders or the Agent to accelerate the Notes

The Notes are intended to constitute Additional Tier 1 Capital of the Issuer. As such, the respective Terms and Conditions do not include any obligations or undertakings on the Issuer the breach of which would entitle the Noteholders or the Agent to accelerate the Notes.

Bankruptcy and liquidation

If, and, notwithstanding anything to the contrary in the Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.

No other remedy against the Issuer than as set out in the immediately preceding paragraph shall be available to the Noteholders in respect of the Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

Prescription

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

Governing law

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

The CSD

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

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

The Agent

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

The Issuing Agent

Nordea Bank Abp has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

Rating

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

Use of proceeds

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group.

TERMS AND CONDITIONS OF THE NOTES



Nordnet

**TERMS AND CONDITIONS FOR
NORDNET AB (PUBL)**

**SEK 600,000,000
FLOATING RATE ADDITIONAL TIER 1 CAPITAL NOTES**

ISIN: SE0017072234

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

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

“**Additional Tier 1 Capital**” means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute additional tier 1 capital (*primärkapitaltillskott*) as defined in the Applicable Banking Regulations at the relevant time.

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

“**Affiliate**” means:

- (a) an entity controlling or under common control with the Issuer, other than a Group Company; and
- (b) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in paragraph (a) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in paragraph (a).

For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

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

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

“**Base Rate**” means three (3) month STIBOR or any reference rate replacing three (3) month STIBOR in accordance with Clause 20 (*Base Rate replacement*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF) or any person replacing it as administrator of the Base Rate.

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

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

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

“**CET1 Capital**” means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute common equity tier 1 capital of the Nordnet Consolidated Situation as calculated by Nordnet Bank in accordance with the Applicable Banking Regulations at the relevant time.

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

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

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

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

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

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

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

“**Distributable Items**” shall have the meaning given to such term in CRD IV interpreted and applied in accordance with the Applicable Banking Regulations.

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

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

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth (5) anniversary of the Issue Date (being 16 November 2026).

“**Force Majeure Event**” has the meaning set forth in Clause 27.1.

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

“**Initial Call Period**” means the period commencing on (and including) the First Call Date and ending on (and including) the Interest Payment Date falling on or immediately after three (3) months of the First Call Date.

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

“**Interest**” means the interest on the Notes calculated in accordance with Clause 10.1 (*Interest*).

“**Interest Payment Date**” means 16 February, 16 May, 16 August and 16 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 16 February 2022 and the last Interest Payment Date shall be the relevant Redemption Date.

“Interest Period” means:

- (a) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date; and
- (b) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“Interest Rate” means the Base Rate plus a margin of 3.90 per cent. (and any applicable Adjustment Spread) *per annum*.

“Issue Date” means 16 November 2021.

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

“Issuing Agent” means Nordea Bank Abp, filial i Sverige, or such other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

“Loss Absorbing Instruments” means capital instruments or other obligations of the Nordnet Consolidated Situation (other than the Notes) which include a principal loss absorption mechanism that is capable of generating CET1 Capital and that is activated by a trigger event set by reference to the CET1.

“Nominal Amount” has the meaning set forth in Clause 2.3.

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

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

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

“Noteholders’ Meeting” means a meeting among the Noteholders held in accordance with Clause 17 (*Noteholders’ Meeting*).

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

“Qualifying Securities” means securities issued directly by the Issuer following a substitution or variation of the Notes in accordance with Clause 12.4(b) that have terms not materially less favourable to investors, certified by the Issuer acting reasonably (having consulted with an independent investment bank or independent financial adviser of international standing), than the terms of the Notes (immediately prior to the relevant substitution or variation), provided that they:

- (a) shall include a ranking at least equal to that of the Notes;

- (b) shall have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Notes;
- (c) shall have the same redemption rights as the Notes;
- (d) shall preserve any existing rights under the Notes to any accrued interest which has not been paid but which has not been cancelled in respect of the period from (and including) the Interest Payment Date last preceding the date of the relevant substitution or variation of the Notes;
- (e) if the Notes were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are to be admitted to trading on a Regulated Market (noting that no investor in the relevant Qualifying Securities (or its representative) has the right to accelerate the relevant Qualifying Securities or otherwise request a prepayment or redemption of the relevant Qualifying Securities upon a failure to admit the relevant Qualifying Securities to trading);
- (f) are assigned (or maintain) the same or higher credit ratings as were assigned to the Notes (if any) immediately prior to the relevant substitution or variation of the Notes; and
- (g) shall comply with the then current requirements for Additional Tier 1 Capital contained in the Applicable Banking Regulations.

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

“**Record Date**” means the fifth (5) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date;
- (c) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*);
- (d) a date of a Noteholders’ Meeting; or
- (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date (if any) on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Notes*).

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

“**Reinstatement Date**” shall have the meaning as set forth in Clause 11.2.3.

“Relevant Nominating Body” means in relation to a reference rate:

- (a) the administrator of the reference rate, or any entity under the common control as the administrator of the reference rate;
- (b) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (c) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (i) the central bank for the currency to which the reference rate relates;
 - (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;
 - (iii) a group of the aforementioned central banks or other supervisory authorities; or
 - (iv) the Financial Stability Board or any part thereof.

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

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

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

“STIBOR” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or

- (d) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

“**Successor Base Rate**” means the rate that an Independent Adviser or the Issuer determines is a successor to or the replacement of the applicable Base Rate and which is formally recommended by a Relevant Nominating Body.

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

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

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

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

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

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

“**Write Down Amount**” has the meaning as set forth in Clause 11.1.5.

“**Write Down Date**” has the meaning as set forth in Clause 11.1.2.

“**Written Down Additional Tier 1 Instrument**” means an instrument (other than the Notes) qualifying as Additional Tier 1 Capital of the Nordnet Consolidated Situation that, immediately prior to any reinstatement of the Notes, has a nominal amount which is less than its initial nominal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Clause 11.2 (*Reinstatement of the Notes*) in the circumstances existing on the relevant Reinstatement Date.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 18 (*Written Procedure*).

1.2 Construction

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

2. THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The initial nominal amount of each Note is SEK 2,000,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is SEK 600,000,000. The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a *pro rata* basis, in accordance with Clause 11 (*Loss absorption and reinstatement*), and “Nominal Amount” shall be construed accordingly.
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.5 The ISIN for the Notes is SE 0017072234.
- 2.6 The Issuer reserves the right to issue further notes, including, subordinated notes, and other obligations in the future, which may rank senior to or *pari passu* with the Notes.

- 2.7 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. STATUS OF THE NOTES

- 3.1 The Notes on issue are intended to constitute Additional Tier 1 Capital of the Nordnet Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer, and the Notes, and all payments in respect of, or arising from (including any damages awarded for breach of any obligations under) the Notes, shall at all times rank:

- (a) *pari passu* without any preference among themselves;
- (b) *pari passu* with
 - (i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and
 - (ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

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

- (c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (d) junior to any present and future claims of:
 - (i) depositors of the Issuer;
 - (ii) any other unsubordinated creditors of the Issuer;
 - (iii) except as expressly stated in paragraph (a) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital; and

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

- 3.2 A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer as set out in Clause 14 (*Bankruptcy or liquidation*).
- 3.3 No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its liquidation or bankruptcy, the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group.

5. CONDITIONS FOR DISBURSEMENT

- 5.1 Prior to the issuance of the Notes, the Issuer shall provide the following to the Agent:
 - (a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;
 - (b) an extract of the resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents (if any) necessary in connection therewith is in place;
 - (c) the articles of association and an up-to date certificate of registration of the Issuer;
 - (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and
 - (e) such other documents and information as is agreed between the Agent and the Issuer.
- 5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 5.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 5.1 have been satisfied.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or who have otherwise acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 6.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney, unless the power of attorney from such Noteholder states otherwise.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

8. ADMISSION TO TRADING

- 8.1 The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or, if such admission to trading is not possible to obtain, admitted to trading on another Regulated Market.
- 8.2 The Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD Regulations, subsist.
- 8.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to admit the Notes to trading or maintain admission to trading of the Notes in accordance with Clause 8.1 or 8.2 above occurs.

9. PAYMENTS IN RESPECT OF THE NOTES

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.
- 9.4 If payment or repayment is made in accordance with this Clause 9 (*Payments in respect of the Notes*), the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 9.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax (including but not limited to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto), public levy or the similar.

10. INTEREST AND INTEREST CANCELLATION

10.1 Interest

- 10.1.1 Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 10.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 10.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

10.2 Interest cancellation

- 10.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:
- (a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Banking Regulations; or
 - (b) will be mandatorily cancelled if and to the extent so required by the Applicable Banking Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.
- 10.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 26 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above and shall not constitute an event of default for any purpose.
- 10.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have "accrued" or been earned for any purpose.
- 10.2.4 A cancellation of any payment of Interest at any time shall in no event constitute an event of default for any purpose.

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

- 10.3.1 Subject to Clause 10.2 (*Interest cancellation*), in the event that a write-down of the Notes occurs pursuant to Clause 11.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted as of the relevant Write Down Date).
- 10.3.2 Subject to Clause 10.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 11.2 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount with effect from (and including) the relevant Reinstatement Date.

10.3.3 In connection with a write-down or write-up pursuant to Clause 11 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted interest that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

10.4 No penalty interest

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

11. LOSS ABSORPTION AND REINSTATEMENT

11.1 Loss absorption upon a Trigger Event

11.1.1 If at any time a Trigger Event occurs, the Issuer shall procure that Nordnet Bank immediately notifies the Swedish FSA and the Issuer shall immediately notify the Noteholders and the Agent in accordance with Clause 26 (*Notices*) and the Total Nominal Amount and the Issuer's payment obligation under the Notes shall be written down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*).

11.1.2 A write-down shall take place without delay on a date selected by the Issuer in consultation with Nordnet Bank and the Swedish FSA (the "**Write Down Date**") but no later than one month following the occurrence of the relevant Trigger Event. The Swedish FSA may require that the period of one month referred to above is reduced in cases where it assesses that sufficient certainty on the required amount of the write-down is established or in cases where it assesses that an immediate write-down is needed. For the purposes of determining whether a Trigger Event has occurred, the CET1 ratios may be calculated at any time based on information (whether or not published) available to management of the Issuer, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 ratios. The Issuer intends to calculate and publish the CET1 ratios on at least a semi-annual basis. The determination as to whether a Trigger Event has occurred shall be made by the Issuer and the Swedish FSA or any agent appointed for such purpose by the Swedish FSA. Any such determination shall be binding on the Issuer and the Noteholders.

11.1.3 A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with Nordnet Bank and the Swedish FSA and in accordance with the CSD Regulations.

11.1.4 The aggregate reduction of the Total Nominal Amount of the Notes outstanding on the Write Down Date will, subject as provided below, be equal to the lower of:

- (a) the amount necessary to generate sufficient CET1 Capital that would restore the CET1 ratio of the Nordnet Consolidated Situation to at least 7.00 per cent., at the point of such reduction, after taking into account (subject as provided below) the *pro rata* write-down and/or conversion of the prevailing nominal amount of all Loss Absorbing Instruments (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the CET1 ratio contemplated above to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) the trigger level in respect of which the relevant Trigger Event under the Notes has occurred and,

in each case, in accordance with the terms of the relevant Loss Absorbing Instruments and the Applicable Banking Regulations; and

- (b) the amount that would result in the Nominal Amount of a Note being reduced to SEK 1.
- 11.1.5 The aggregate reduction determined in accordance with Clause 11.1.4 shall be applied to all of the Notes *pro rata* on the basis of their Nominal Amount immediately prior to the write-down and references herein to “**Write Down Amount**” shall mean, in respect of each Note, the amount by which the Nominal Amount of such Note is to be written down accordingly. A Trigger Event may occur on more than one occasion (and each Note may be written down on more than one occasion).
- 11.1.6 To the extent the write down and/or conversion of any Loss Absorbing Instruments for the purpose of Clause 11.1.4 is not possible for any reason, this shall not in any way prevent any write-down of the Notes. Instead, in such circumstances, the Notes will be written down and the Write Down Amount determined as provided above but without including for the purpose of Clause 11.1.4 any CET1 Capital in respect of the write down or conversion of such Loss Absorbing Instruments, to the extent it is not possible for them to be written down and/or converted.
- 11.1.7 The Issuer shall set out its determination of the Write Down Amount per Note in the relevant notice referred to in Clause 11.1.8 below together with the Nominal Amount following the relevant write-down. However, if the Write Down Amount has not been determined when such notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Write Down Amount to the Noteholders and the Agent in accordance with Clause 26 (*Notices*) and procure that the Swedish FSA is notified. The Issuer’s determination of the relevant Write Down Amount shall be irrevocable and binding on all parties.
- 11.1.8 If the Notes are to be written down, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 26 (*Notices*). Notwithstanding the foregoing, failure to give such notice shall not prejudice, affect the effectiveness of, or otherwise invalidate, any write-down of the Notes.
- 11.1.9 Any reduction of the Nominal Amount of a Note pursuant to this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall not constitute an event of default by the Issuer for any purpose, and the Noteholders shall have no right to claim for amounts written down, whether in liquidation or bankruptcy of the Issuer or otherwise, save to the extent (if any) such amounts are reinstated in accordance with Clause 11.2 (*Reinstatement of the Notes*).

11.2 Reinstatement of the Notes

- 11.2.1 Following a write-down of the Total Nominal Amount in accordance with Clause 11.1 (*Loss absorption upon a Trigger Event*), the Issuer may, at its absolute discretion but subject to obtaining relevant approval from its shareholder (if required) reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Banking Regulations and any other applicable regulations.
- 11.2.2 Unless write up of the principal of the Notes is permitted and possible in accordance with the CSD Regulations, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital of the Nordnet Consolidated Situation to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in

which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations.

- 11.2.3 A reinstatement in accordance with this Clause 11.2 (*Reinstatement of the Notes*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments issued by the Issuer or any other member of the Nordnet Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).
- 11.2.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), as at the Issue Date, being SEK 600,000,000.
- 11.2.5 For the avoidance of doubt, any reinstatement of any proportion of the principal of the Notes (either by way of write up of the principal of the Notes or by way of issuing new notes that qualify as Additional Tier 1 Capital of the Nordnet Consolidated Situation) shall be made on a *pro rata* basis and without any preference among the Notes and on a *pro rata* basis with the reinstatement of all Written Down Additional Tier 1 Instruments (if any). Any failure by the Issuer to reinstate the Notes on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any) however will not affect the effectiveness, or otherwise invalidate, any reinstatement of the Notes and/or reinstatement of the Written Down Additional Tier 1 Instruments or give Noteholders any rights as a result of such failure.
- 11.2.6 If the Issuer decides to reinstate any proportion of the principal of the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 26 (*Notices*) prior to such reinstatements becoming effective and specifying the date on which the reinstatements will become effective (the “**Reinstatement Date**”). Such notice shall specify the Record Date and any technical or administrative actions that a Noteholder needs to undertake to receive its portion of the reinstatement. A reinstatement of the Notes shall take place on a Business Day as selected by the Issuer, however, falling no earlier than twenty (20) Business Days following the effective date of the reinstatement notice.

12. REDEMPTION AND REPURCHASE OF THE NOTES

12.1 No scheduled redemption

- 12.1.1 The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in this Clause 12 (*Redemption and repurchase of the Notes*).
- 12.1.2 The Notes are not redeemable at the option of the Noteholders at any time and the Noteholders shall have no right to accelerate the Notes or other remedies or sanctions against the Issuer for any breach of these Terms and Conditions by the Issuer, other than as set out in Clause 14 (*Bankruptcy or liquidation*).

12.2 Early redemption at the option of the Issuer

Subject to Clause 12.5 (*Permission from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*), the Issuer may redeem all (but not some only) outstanding Notes at:

- (a) any time within the Initial Call Period; or
- (b) any Interest Payment Date falling after the Initial Call Period.

12.3 Purchase of Notes by the Issuer and related companies

Subject to applicable law and to Clause 12.5 (*Permission from the Swedish FSA*), the Issuer or any other Group Company, or other company forming part of the Nordnet Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way and at any price. Notes held by such company may at its discretion be retained, sold or cancelled.

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

If a Capital Event or Tax Event occurs, the Issuer may, at its option, but subject to Clause 12.5 (*Permission from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*):

- (a) redeem all (but not some only) outstanding Notes on any Interest Payment Date; or
- (b) substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with this Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.

12.5 Permission from the Swedish FSA

The Issuer, or any other company forming part of the Nordnet Consolidated Situation, may not redeem, purchase, substitute or vary as contemplated by this Clause 12 (*Redemption and repurchase of the Notes*), any Notes without the prior written permission of the Swedish FSA and in accordance with the Applicable Banking Regulations (including any pre-conditions set out therein at the relevant time). Any refusal by the Swedish FSA to give its permission shall not constitute an event of default for any purpose.

12.6 Early redemption amount

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

12.7 Notice of early redemption, substitution or variation

12.7.1 Any redemption, substitution or variation in accordance with Clauses 12.2 (*Early redemption at the option of the Issuer*) and 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer having given:

- (a) not less than fifteen (15) Business Days' notice to the Noteholders; and
- (b) not less than five (5) Business Days' notice (or such lesser period as may be agreed between the Issuer and the Agent) before the giving of the notice referred to in paragraph (a) above to the Agent.

in each case notice shall be given in accordance with Clause 26 (*Notices*). Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

12.7.2 Notwithstanding Clause 12.7.1, if a Trigger Event occurs following a notice being given in accordance with Clause 12.7.1 but prior to the relevant redemption of the Notes, such notice shall be of no force and effect and Clause 11.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption shall occur.

13. INFORMATION TO NOTEHOLDERS

13.1 Information from the Issuer

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

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, audited consolidated financial statements of the Group for that financial year prepared in accordance with the Accounting Principles;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) of the Group for such period prepared in accordance with the Accounting Principles; and
- (c) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, a report on regulatory capital for the Nordnet Consolidated Situation.

13.2 Information from the Agent

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

13.3 Information among the Noteholders

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

13.4 Publication of Finance Documents

- 13.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of Nordnet Bank, the Issuer and the Agent.
- 13.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

14. BANKRUPTCY OR LIQUIDATION

- 14.1 The Noteholders have no right to accelerate the Notes or otherwise request prepayment or redemption of the principal amount of the Notes. If, and, notwithstanding anything to the contrary in these Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.
- 14.2 If an event where the Issuer is declared bankrupt or put into liquidation as set out in Clause 14.1 above occurs, the Agent is, following the instructions of the Noteholders, authorised to:
- (a) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due for payment together with any other amounts payable under the Finance Documents (except any Interest cancelled in accordance with Clause 10.2 (*Interest cancellation*)), immediately or at such later date as the Agent determines; and
 - (b) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 14.3 In the event of an acceleration of the Notes upon the Issuer being declared bankrupt or put into liquidation, the Issuer shall redeem all Notes at an amount equal to 100 per cent. of the Nominal Amount together with accrued and unpaid interest. However, no payment will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders as described in Clause 3 (*Status of the Notes*) have been repaid by the Issuer, as ascertained by the judicial liquidator (*likvidator*) or bankruptcy administrator (*konkursförvaltare*).

15. DISTRIBUTION OF PROCEEDS

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

- (a) firstly, in or towards payment *pro rata* of:
 - (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders);
 - (ii) other costs and expenses relating to the protection or the Noteholders' rights as may have been incurred by the Agent;
 - (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 21.2.8; and
 - (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.15;
- (b) secondly, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 10.2 (Interest cancellation) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) thirdly, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) fourthly, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

15.2 Funds that the Agent receives (directly or indirectly) following an application of Clause 15.1 in connection with the enforcement of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 (*Distribution of proceeds*) as soon as reasonably practicable.

15.3 If the Issuer or the Agent shall make any payment under this Clause 15 (*Distribution of proceeds*), the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made in accordance with Clause 26 (*Notices*). The notice from the Issuer shall specify the Record Date, the payment date and the amount to be paid.

16. DECISIONS BY NOTEHOLDERS

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

16.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount (such request may only be validly

made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

- 16.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (a) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (b) the suggested decision is not in accordance with applicable laws.
- 16.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.3 being applicable, the person requesting the decision by Noteholders may request the Issuer to convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. Should the Issuer in such situation not convene a Noteholders' Meeting, the person requesting the decision by Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall then upon request provide the convening Noteholder with such information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes as may be necessary in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 16.5 Should the Issuer wish to replace the Agent, it may (a) convene a Noteholders' Meeting in accordance with Clause 17.1 or (b) instigate a Written Procedure by sending communication in accordance with Clause 18.1, in either case with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 16.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Record Date prior to the date of the Noteholders' Meeting, in respect of a Noteholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 18.2, in respect of a Written Procedure,

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

- 16.7 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds ($66\frac{2}{3}$) per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:
- (a) a change to the terms of Clauses 2.1 or 3.1;
 - (b) a change to the terms dealing with the requirements for Noteholders' consent set out in Clauses 16 (*Decisions by Noteholders*), 17 (*Noteholders' meeting*) and 18 (*Written procedure*);
 - (c) a change to an Interest Rate (other than as a result of an application of Clause 20 (*Base Rate replacement*)) or the Nominal Amount; and
 - (d) an early redemption of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to Clause 12.5 (*Permission from the Swedish FSA*) above).
- 16.8 Any matter not covered by Clause 16.7 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a), 19.1(b) or 19.1(c)).
- 16.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Total Nominal Amount in case of a matter pursuant to Clause 16.7, and otherwise twenty (20) per cent. of the Adjusted Total Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.10, the date of request of the second Noteholders' Meeting pursuant to Clause 17.1 or second Written Procedure pursuant to Clause 18.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

- 16.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure or how they voted. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 16.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.16 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 16.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 16.6(a) or 16.6(b), as the case may be, and shall also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

17. NOTEHOLDERS' MEETING

- 17.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on the Record Date prior to the date on which the notice is sent.
- 17.2 The notice pursuant to Clause 17.1 shall include (a) time for the meeting, (b) place for the meeting, (c) agenda for the meeting (including each request for a decision by the Noteholders) and (d) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 17.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

- 17.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

18. WRITTEN PROCEDURE

- 18.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of valid a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.
- 18.2 A communication pursuant to Clause 18.1 shall include (a) each request for a decision by the Noteholders, (b) a description of the reasons for each request, (c) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (d) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (e) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 18.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 18.3 When consents from Noteholders representing the requisite majority of the total Adjusted Total Nominal Amount pursuant to Clauses 16.7 and 16.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.7 or 16.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. AMENDMENTS AND WAIVERS

- 19.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, subject to the prior written permission of the Swedish FSA (to the extent required pursuant to Applicable Banking Regulations), agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority, including but not limited to, to facilitate any measure by the relevant regulator pursuant to the Swedish Resolutions Act (*lagen (2015:1016) om resolution*);
 - (c) such amendment is a variation upon replacement of Base Rate made in accordance with Clause 20 (*Base Rate replacement*); or
 - (d) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).

- 19.2 The Issuer may substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.
- 19.3 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 19.4 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 19.1 and 19.2, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 13.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 19.5 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

20. BASE RATE REPLACEMENT

20.1 General

- 20.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of this Clause 20 (*Base Rate replacement*) shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- 20.1.2 If a Base Rate Event has occurred, this Clause 20 (*Base Rate replacement*) shall take precedent over the fallbacks set out in paragraph (b) to (d) (inclusive) of the definition of STIBOR.

20.2 Definitions

In this Clause 20 (*Base Rate replacement*):

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof determined in accordance with Clause 20.3.3, to be applied to a Successor Base Rate or an Alternative Base Rate, the objective of which, in each case, shall be to reduce or eliminate, to the fullest extent reasonably practicable, any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

“**Alternative Base Rate**” means the reference rate that has replaced the Base Rate in customary market usage in the relevant debt capital markets for the purposes of determining rates of interest in respect of Notes denominated in Swedish kronor or, if there is no such rate, such other rate as the Independent Adviser determines is most comparable to the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 20.3.5.

“**Base Rate Event**” means that:

- (a) the Base Rate has:
 - (i) been permanently or indefinitely discontinued;
 - (ii) ceased to exist; or
 - (iii) ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate ceasing to be calculated or administered;
- (b) the Base Rate Administrator ceases to publish the applicable Base Rate permanently or indefinitely and, at that time, no successor administrator has been appointed to continue to publish the Base Rate;
- (c) the supervisor of the Base Rate Administrator:
 - (i) has made a public statement stating that the Base Rate is no longer representative of the underlying market; or
 - (ii) is recommending the usage of a Successor Base Rate for the applicable Base Rate;
- (d) the Base Rate Administrator or its supervisor announces that:
 - (i) the Base Rate methodology has changed materially after the Issue Date; or
 - (ii) the Base Rate may no longer be used, either generally or in respect of the Notes; or
- (e) it has become unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate,

provided that in the case of paragraphs (a) and (b), the Base Rate Event shall occur on the date of the cessation of publication of the relevant Base Rate or the discontinuation of the relevant Base Rate, as the case may be, and not the date of the relevant public statement.

“**Base Rate Event Announcement**” means a public statement by the Base Rate Administrator or the supervisor of the Base Rate Administrator that any event or circumstance specified in paragraphs (a) to (d) of the definition of Base Rate Event will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee of any of them or the Financial Stability Council (*Finansiella stabilitetsrådet*) or any part thereof.

“**Successor Base Rate**” means a screen or benchmark rate which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body.

20.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- 20.3.1 Without prejudice to Clause 20.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate or an Alternative Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to determine a Successor Base Rate or, if there is no Successor Base Rate, an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 20.3.2.
- 20.3.2 If (a) a Base Rate Event has occurred or (b) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 20.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 20.3.2, the Noteholders shall, if so decided at a Noteholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 20.3.2.
- 20.3.4 The Adjustment Spread determined by the Independent Adviser in accordance with Clause 20.3.1 or 20.3.2, shall be the Adjustment Spread which:
- (a) is formally recommended in relation to the replacement of the Base Rate by any Relevant Nominating Body; or
 - (b) if paragraph (a) above does not apply, the Independent Adviser determines is customarily applied to the relevant Successor Base Rate or Alternative Base Rate (as applicable), in comparable debt capital markets transactions.
- 20.3.5 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or an Alternative Base Rate or to reflect the adoption of such Successor Base Rate or Alternative Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 20.3.6 Provided that a Successor Base Rate or (if there is no Successor Base Rate) an Alternative Base Rate and, in each case, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than ten (10) Business Days prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period.

20.4 Interim measures

- 20.4.1 If a Base Rate Event has occurred but no Successor Base Rate or Alternative Base Rate and Adjustment Spread have been determined at least ten (10) Business Days prior to the relevant

Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

20.4.2 For the avoidance of doubt, Clause 20.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 20 (*Base Rate Replacement*).

20.5 Notices etc.

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Alternative Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Noteholders in accordance with Clause 26 (*Notices*) and the CSD.

20.6 Variation upon replacement of Base Rate

20.6.1 No later than giving the Agent notice pursuant to Clause 20.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer confirming the relevant Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 20 (*Base Rate Replacement*). The Successor Base Rate or Alternative Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.

20.6.2 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 20 (*Base Rate Replacement*). Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

20.7 Limitation of liability for the Independent Adviser

Any Independent Adviser appointed pursuant to Clause 20.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

21. APPOINTMENT AND REPLACEMENT OF THE AGENT

21.1 Appointment of the Agent

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

21.2 Duties of the Agent

- 21.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- 21.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

- 21.2.5 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.6 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 21.2.7 The Agent shall give a notice to the Noteholders (a) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (b) if it refrains from acting for any reason described in Clause 21.2.6.
- 21.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering:
- (a) an event or circumstance which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions; or
 - (b) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents.
- Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 21.2.9 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.

21.3 Limited liability for the Agent

- 21.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

21.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*).

21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

21.4 Replacement of the Agent

21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the old Agent or by way of Written Procedure initiated by the old Agent.

21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

21.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (a) the earlier of the notice of resignation was given or the resignation otherwise took place or (b) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent

and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

23. APPOINTMENT AND REPLACEMENT OF THE CSD

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

24. NO DIRECT ACTIONS BY NOTEHOLDERS

- 24.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2.6, such failure must

continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.7 before a Noteholder may take any action referred to in Clause 24.1.

24.3 The provisions of Clause 24.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

24.4 The provisions of this Clause 24 (*No direct actions by the Noteholders*) are subject to the over-riding limitations set out in Clause 2 (*Status of the Notes*).

25. PRESCRIPTION

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

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

26. NOTICES

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

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

26.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1, or, in case of email, when received in readable form by the email recipient. Any such notice shall be made in English.

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

27. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 27.2 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect loss.
- 27.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 27.4 The provisions in this Clause 27 (*Force majeure and limitation of liability*) apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

28. GOVERNING LAW AND JURISDICTION

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

Overview

The Issuer

The Issuer, Nordnet AB (publ), incorporated under the laws of Sweden with corporate identification number 559073-6681 and legal entity identifier (LEI) code 549300D6WW5ZTWLZ4C08, is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The registered office of the Issuer is in Stockholm and the Issuer's headquarter is located at Alströmergatan 39, SE-104 25 Stockholm, Sweden, with telephone number +46 10 583 30 00 and the Issuer's website is www.nordnetab.com. The information on the Issuer's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus. The Issuer was incorporated in Sweden on 11 July 2016.

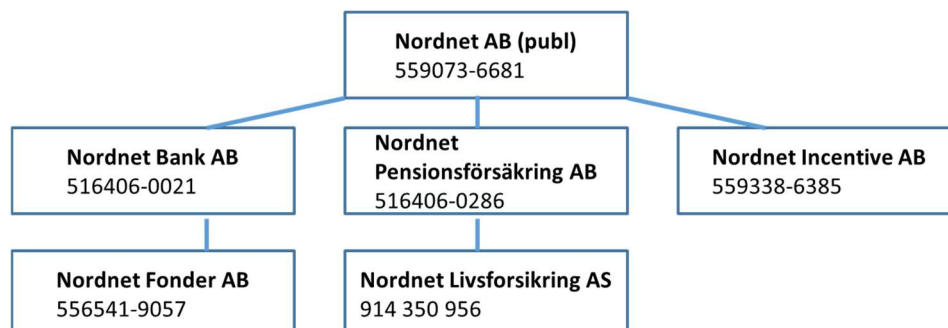
Pursuant to clause 3 of the Articles of Association of the Issuer, the business purpose of the Issuer is to, through wholly or partly owned companies, conduct banking business, securities business, insurance business and any other activities compatible therewith, as well as to, directly or through wholly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

The Issuer has three wholly-owned subsidiaries: (i) Nordnet Bank (as defined above), (ii) Nordnet Pensionsförsäkring AB (corporate identification number 516406-0286) ("**Nordnet Pensionsförsäkring**"); and (iii) Nordnet Incentive AB (corporate identification number 559338-6385) ("**Nordnet Incentive**"). Nordnet Bank is a public limited liability banking company (*publikt bankaktiebolag*) regulated by the Swedish Companies Act. As a banking company, Nordnet Bank is subject to the supervision of the Swedish FSA and regulated by, among other things, the Swedish Banking and Financing Business Act (*lagen (2004:297) om bank- och finansieringsrörelse*), CRR (as amended by CRR II) and the Swedish Deposit Insurance Act (*lagen (1995:1571) om insättningsgaranti*). Nordnet Bank AB is ISO 9001:2015 certified for its quality management system.

Nordnet Bank is a digital bank for savings and investments in shares, mutual funds, exchange traded funds, warrants and a number of other asset classes. Nordnet has business activities in Sweden, Norway, Denmark and Finland. The headquarter in Stockholm houses all of the Nordic functions such as IT, product development, finance and administration. Stockholm is also home to the customer service and sales organisation for the Swedish market. There are local branches in Oslo, Copenhagen and Helsinki with responsibility for customer service, sales and marketing in each respective market. On 31 December 2020, there were a total of 1 221 500 customers with a total savings capital of SEK 565 billion.

Legal Group structure

The Issuer is part of a corporate group of which the Issuer is the ultimate parent. Since the Issuer is a holding company, it is dependent on contributions from its Subsidiaries and in particular from Nordnet Bank. The Group structure and principal financing structure as at the date of this Prospectus, are illustrated in the organisational chart below.¹



¹ Each line corresponds to an ownership of 100 per cent. Nordnet Bank AB will acquire Nordnet Pensionsförsäkring AB when the necessary permits have been obtained from the competent authorities. The Swedish Financial Supervisory Authority has approved the acquisition. The Norwegian Financial Supervisory Authority's permit is awaited.

Operational structure

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

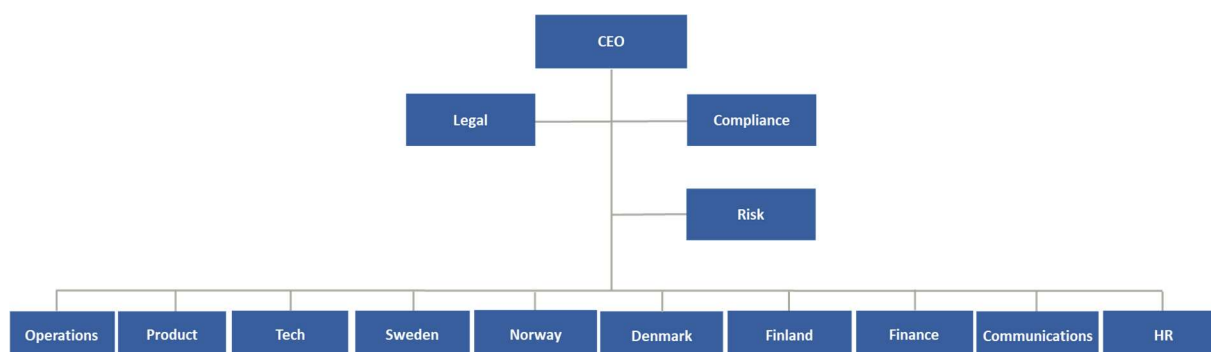
Nordnet Pensionsförsäkring offers life insurance business focused on pension savings. The Norwegian pension operations are conducted through Nordnet Livsforsikring AS, a subsidiary of Nordnet Pensionsförsäkring.

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

In April 2020, Nordnet launched its collaboration with Stabelo AB (559064-2376) (“**Stabelo**”), through which Nordnet customers can access Stabelo’s pricing model and interest rates. Nordnet receives a commission for distributing the Stabelo mortgages, and Stabelo loans are not held on Nordnet’s balance sheet.

During 2021, Nordnet has applied for a license to establish a fund company (*fondbolag*).

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



Business areas

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

Savings and investments

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

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

Pension

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

Loans

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

mortgages under its own brand and is also, since April 2020, a distributor of a third-party mortgage provider, Stabelo.

Regulatory framework

The Issuer is subject to a number of rules and regulations, amongst others the Swedish Companies Act (*aktiebolagslagen (2005:551)*), the Supervision of Credit Institutions and Investment Firms Act (*lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*), the Act on Capital Buffers (*lagen (2014:966) om kapitalbuffertar*) which implements CRD IV as amended by CRD V and its articles of association. Further, the CRR (as amended by CRR II) sets forth certain requirements on regulatory capital, exposures and liquidity that the Issuer must observe.

The subsidiary, Nordnet Bank, which is a banking company, is subject to the supervision of the Swedish FSA and regulated by, among other things, the Swedish Banking and Financing Business Act (*lagen (2004:297) om bank- och finansieringsrörelse*), CRR and the Swedish Deposit Insurance Act (*lagen (1995:1571) om insättningsgaranti*) as well as the Swedish FSA's Regulatory Codes (which includes its regulations and general guidelines) and guidelines issued by the European Banking Authority. In addition, the Nordnet Bank is subject to the BRRD (as amended by BRRD II) and the Swedish Resolution Act. Nordnet Bank is ISO 9001:2015 certified for its quality management system.

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

Accounting principles

The consolidated accounts have been prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU. In addition to these accounting standards, the Swedish FSA's Regulatory Code 2008:25 (Regulations and general guidelines regarding annual reports at credit institutions and securities companies) (*Föreskrifter och allmänna råd (FFFS 2008:25) om årsredovisning i kreditinstitut och värdepappersbolag*), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (*lagen (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag*) as well as the requirements in the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups are taken into consideration.

The Issuer, being the parent company of the Group, applies statutory IFRS, which means that the annual report has been prepared in compliance with IFRS with the additions and exceptions that ensue from the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, the Swedish FSA's Regulatory Code 2008:25 (Regulations and general guidelines regarding annual reports at credit institutions and securities companies) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

Shares and shareholders

Under its articles of association, the Issuer's share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000, divided into not fewer than 200,000 shares and not more than 800,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 1,250,000, represented by 250,000 shares. Each share has a quota value of SEK 5.

The ten largest shareholders in Nordnet AB (publ) as of 31 October 2021 is reported in the table below.

| # | Shareholder | Number of shares | % of shares and votes |
|---|----------------------------|------------------|-----------------------|
| 1 | Öhman Intressenter | 54,101,392 | 21.6% |
| 2 | Premiefinans | 25,003,182 | 10.0% |
| 3 | Fidelity Investments (FMR) | 11,928,218 | 4.8% |
| 4 | Norges Bank | 11,457,761 | 4.6% |
| 5 | Handelsbanken Fonder | 9,226,979 | 3.7% |
| 6 | Vanguard | 5,909,337 | 2.4% |
| 7 | Tredje AP-fonden | 5,615,944 | 2.2% |

| | | | |
|-----------|-----------------------|-----------|------|
| 8 | Catharina Versteegh | 5,208,697 | 2.1% |
| 9 | Micaela Bredberg | 5,208,697 | 2.1% |
| 10 | Swedbank Robur Fonder | 5,120,707 | 2.0% |

THE BOARD OF DIRECTORS, GROUP MANAGEMENT AND AUDITORS

Board of directors

The Board of the Issuer consists of 8 members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

| Name | Position | Board member since |
|-------------------|----------|--------------------|
| Tom Dinkelspiel | Chairman | 2007 |
| Jan Dinkelspiel | Member | 2017 |
| Karitha Ericson | Member | 2019 |
| Christian Frick | Member | 2017 |
| Hans Larsson | Member | 2017 |
| Per Widerström | Member | 2017 |
| Anna Bäck | Member | 2020 |
| Charlotta Nilsson | Member | 2021 |

Tom Dinkelspiel

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

Principal education: Studies at Stockholm School of Economics.

Other on-going principal assignments: Chairman of the Board of E. Öhman J:or AB, Premiefinans K. Bolin AB, E. Öhman J:or Investment AB and E. Öhman J:or Intressenter II AB, Chairman and CEO of E. Öhman J:or Alternative Investments AB and Director of among others Öhman Bank S.A., E. Öhman J:or Intressenter AB, and Kogmot AB.

Jan Dinkelspiel

Born 1977. Board member since 2017.

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

Other on-going principal assignments: Director of Sasha Holding AB and director and CEO of 10X People AB.

Karitha Ericson

Born 1973. Board member since 2019.

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

Other on-going principal assignments: Chief Operating Officer and deputy CEO at Grant Thornton and Director of Kamami AB

Christian Frick

Born 1976. Board member since 2017.

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

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

Hans Larsson

Born 1961. Board member since 2017.

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

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

Other on-going principal assignments: Director and CEO of Linderyd Advisory AB and Lunda Advisory AB, and director of Aktiebolaget Svensk Exportkredit, Intrum AB, Norwegian Finance Holding AS and Bank Norwegian ASA.

Per Widerström

Born 1966. Board member since 2017.

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

Other on-going principal assignments: CEO and Chairman of the Management Board of Fortuna Entertainment Group N.V., Chairman of the Board of Turbotic AB, and Director of among others Fortuna Game A.S. and Fortuna SK A.S.

Anna Bäck

Born 1972. Board member since 2020.

Principal education: MSc in Industrial Engineering and Management from the Linköping Institute of Technology. Executive MBA from the Stockholm School of Economics.

Other on-going principal assignments: President, Group CEO and Chairman of the Board of Kivra Sverige AB, Director and CEO of Kivra Global IP AB and Director of Kivra Oy.

Charlotta Nilsson

Born 1970. Board member since 2021.

Principal education: MSc in Physics from the Umeå University. Executive MBA from Stockholm School of Economics.

Other on-going principal assignments: Chief Operating Officer of Paradox Interactive and board member of Industrifonden.

Group Management

The Group Management consist of a team of 10 persons. The table below sets forth the name and current position of each member of the Group Management.

| Name | Position | With Nordnet since |
|------------------|--------------------------------------|---------------------------|
| Lars-Åke Norling | CEO | 2019 |
| Anders Skar | Country manager Norway | 2005 |
| Anne Buchardt | Country manager Denmark | 2018 |
| Carina Tovi | Chief Human Resource Officer | 2011 |
| Elias Lindholm | Chief Technology Officer | 2021 |
| Johan Tidestad | Chief Communications Officer | 2007 |
| Lennart Krän | Chief Financial Officer | 2019 |
| Martin Ringberg | Country manager Sweden | 2017 |
| Rasmus Järborg | Deputy CEO and Chief Product Officer | 2018 |
| Suvi Tuppurainen | Country manager Finland | 2010 |

Lars-Åke Norling

Born 1968. CEO. With Nordnet since 2019.

Principal education: Master of Business Administration, Gothenburg School of Economics, MSc in Systems Engineering, Case Western Reserve University, U.S. and MSc in Engineering Physics, Uppsala University.

Anders Skar

Born 1976. Country manager Norway. With Nordnet since 2008.

Principal education: MBA from the Norwegian School of Economics.

Anne Buchardt

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

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

Carina Tovi

Born 1965. Chief Human Resource Officer. With Nordnet since 2011.

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

Elias Lindholm

Born 1980. Chief Technology Officer. With Nordnet since 2021.

Principal education: MSc in Electrical Engineering, Chalmers University of Technology, Gothenburg.

Johan Tidestad

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

Principal education: Master of Laws from Uppsala University.

Lennart Krän

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

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

Martin Ringberg

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

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

Rasmus Järborg

Born 1976. Deputy CEO and Chief Product Officer. With Nordnet since 2018.

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

Suvi Tuppurainen

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

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

Auditors

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

Business address

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

Conflicts of interest

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

LEGAL AND SUPPLEMENTARY INFORMATION

Information about the Prospectus

This Prospectus has been approved by the Swedish FSA as competent authority under the Regulation (EU) 2017/1129 (Prospectus Regulation). The Swedish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The Swedish FSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The validity of this Prospectus will expire twelve months after the date of the approval of the Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Authorisations and responsibility statement

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes was authorised by a resolution of the Board of the Issuer on 28 October 2021.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Material agreements

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

Governmental, legal and arbitration proceedings

Neither the Issuer nor any Group Company has been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability, save as disclosed in this Prospectus in the risk factor entitled "*Nordnet operates in a regulated industry and may be subject to supervisory investigations or enforcement actions in the countries in which it operates. Changes in the legal and regulatory environment in which Nordnet operates could have an adverse effect on its business*" on page 12.

Certain material interests

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

Trend information

There has been no material adverse change in the prospects of the Issuer since 24 March 2021, being the date of publication of the last audited financial information of the Issuer. Furthermore, there has been no significant change in the financial performance of the Group since 30 September 2021, being the end of the last financial period for which financial information has been published to the date of this Prospectus.

Significant changes since 31 December 2020

There have been no significant changes in the financial or trading position of the Group since 31 December 2020, being the end of the last financial period for which audited financial information has been published to the date of this Prospectus.

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus. Reference is made as follows:

| | |
|--|--|
| Annual Report for 2019² | Consolidated income statement (p. 55), consolidated statement of other comprehensive income (p. 56), consolidated balance sheet (p. 57), consolidated statement of changes in equity (p. 58), consolidated cash flow statement (p. 59), notes (p. 64-133) and audit report (p. 135-139). |
| Annual Report for 2020³ | Consolidated income statement (p. 61), consolidated statement of other comprehensive income (p. 63), consolidated balance sheet (p. 64), consolidated statement of changes in equity (p. 65), consolidated cash flow statement (p. 66), notes (p. 71-143) and audit report (p. 145-149). |
| Interim report January–September 2021⁴ | Consolidated income statement (p. 16), consolidated statement of other comprehensive income (p. 16), consolidated balance sheet (p. 17), consolidated statements of changes in equity (p. 18), consolidated cash flow statement (p. 19), notes (p. 21-35). |

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Notes or is covered elsewhere in the Prospectus.

The Issuer's annual reports have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslagen (1995:1554)*). With the exception of the Annual Reports for 2019 and 2020, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Documents available

During the term of this Prospectus, the following documents are available at the Issuer's website:

- the Issuer's articles of association and the Issuer's certificate of registration⁵, and
- the Terms and Conditions of the Notes.⁶

²<https://nordnetab.com/wp-content/uploads/2020/03/Nordnet-Annual-Report-2019.pdf>

³<https://nordnetab.com/wp-content/uploads/2021/03/Nordnets-Annual-and-Sustainability-Report-2020.pdf>

⁴<https://nordnetab.com/wp-content/uploads/2021/10/q3eng2021.pdf>

⁵ <https://nordnetab.com/governance/governance-overview/>

⁶<https://nordnetab.com/wp-content/uploads/2021/11/Terms-Conditions-AT1-2021-Nordnet-AB.pdf>

ADDRESSES

The Issuer

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Visiting address

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Joint Bookrunner and Issuing Agent

Nordea Bank Abp

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www.nordea.se

Joint Bookrunner

Skandinaviska Enskilda Banken AB (publ)

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www.sebgroup.com

Legal Adviser to the Issuer

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www.mannheimerswartling.se

Agent

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www.intertrustgroup.com

Auditor to the Issuer

Deloitte AB

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