



Nordnet

Nordnet AB (publ)

Annual and Sustainability Report 2021.





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The English version of the Annual and Sustainability Report is a translation. In case of any discrepancy between the Swedish version and the English version, the Swedish version shall prevail.

The year in brief 2021.

Quarter 1

- Record-strong inflow of new savers, 39 percent annual customer growth.
- High net savings and new record for savings capital of SEK 648 billion.
- Highest number of transactions for a single quarter and great interest in foreign trading.
- Successful launch of new Norwegian pensions account, EPK.
- Implementation of digital processes for taking out and transferring, occupational pension in Sweden.
- Record-strong financial result – SEK 830 million in operating profit.

Quarter 2

- Continued high level of customer growth, with the customer base increasing by 38 percent in one year.
- Savings capital reaches new record levels, exceeding SEK 700 billion, and a continued high level of net savings.
- Stable growth in lending, loan volume at new record high.
- Strong development in mutual fund operations – fund capital increases by 65 percent in a single year, launch of tech fund and ESG classification of the international index funds.

Quarter 3

- Nordnet turns 25 – from a Swedish online broker to the Nordic region's leading platform for savings and investments.
- Slightly more than 60,000 new customers in the third quarter, an annual customer growth of 37 percent.
- New record levels for savings capital and lending.
- Increased income and stable expenses provide an increase in profit of more than 40 percent.
- Nordnet's first mutual fund platform in the Nordic region to include information on the EU's new categorization of sustainable funds.
- Application submitted to the Swedish Financial Supervisory Authority to launch a fund company.

Quarter 4

- 1.6 million Nordic private savers have now chosen Nordnet, with 63,800 new customers in the fourth quarter.
- Savings capital at new record level, exceeds SEK 800 billion.
- Several new features launched in web and app, including dark mode and improved graphs.
- Successful launch of Danish equity savings account.
- Two awards during the quarter – "Årets Up-pro" from business magazine Privata Affärer for our initiative for fair terms on ISK, and "Broker of the Year" in Denmark.
- Second-highest quarterly profit to date at SEK 578 million. Profit for the year is 56 percent higher than for 2020 and the best in Nordnet's history.

The year in figures.

“Nordic savers’ trust demands commitment in terms of the customer experience – a trust we nurture by continuously and purposefully building the best platform for savings and investments.”

Lars-Åke Norling, CEO Nordnet

Customer growth in the last 12 months: **31%** (34 %)

- Adjusted operating profit SEK 2,451.2 million (1,575.9)
- Proposed dividend of SEK 5.56 per share (3.28)
- Adjusted operating expenses amounted to SEK -1,140.9 million (-1, 064,1)
- Operating income amounted to SEK 3,628.4 million (2,678.7)
- Earnings per share after dilution amounted to SEK 7.75 (4.55)
- Net savings amounted to SEK 83.4 billion (82.1)
- Savings capital at 31 December amounted to SEK 802 billion (565)

Million SEK	2021	2020	Change %
Operating income	3,628.4	2,678.7	35%
Operating expenses	-1,140.9	-1,193.4	-4%
Credit losses	-36.3	-38.7	-6%
Operating profit	2,451.2	1,446.6	69%
Profit after tax	1,984.7	1,172.7	69%
Earnings per share before dilution (SEK)	7.79	4.55	71%
Earnings per share after dilution (SEK)	7.75	4.55	71%
Income in relation to savings capital	0.53%	0.60%	-0.08%
Operating margin %	68%	54%	14%
Adjusted operating expenses ¹	-1,140.9	-1,064.1	7%
Adjusted operating profit ¹	2,451.2	1,575.9	56%
Adjusted operating margin %	68%	59%	9%
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	7.86	5.10	54%
Total number of customers	1,601,000	1,221,500	31%
Net savings (SEK billion)	83.4	82.1	2%
Savings capital at the end of the period (SEK billion)	801.6	564.9	42%
Average savings capital per customer (SEK)	477,000	415,900	15%

For definitions of key performance indicators, refer to pages 165-166.

This is Nordnet.

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

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

Vision

Our vision is to become the Nordic private savers' first choice. To achieve this goal it requires us to always challenge and innovate, keeping user-friendliness and savings benefit at the top of the agenda and to succeed with the ambition of building a "one-stop shop" for savings and investments – a platform that can meet the needs of private savers in the Nordic region in managing their financial futures. Only then can we achieve the high level of customer satisfaction and brand strength required to become a leader in the Nordic region in terms of attracting new customers and producing loyal ambassadors for Nordnet.

Our product areas

Savings and investments

Nordnet's core business is savings and investments. Our customers can save and invest in shares, funds and

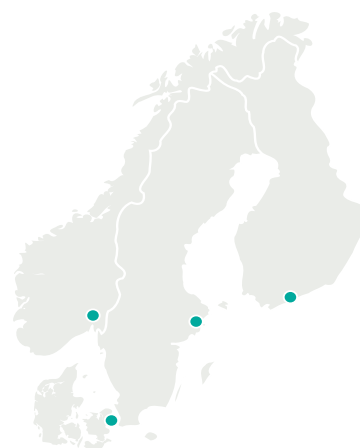
other kinds of securities at low fees in several markets. We offer most account types that are available on the market, such as ISK and their Nordic equivalents, regular custody accounts, occupational pensions, endowment insurance and accounts for private pension savings. At Nordnet, there are a number of different interfaces in the form of the web, the app and more advanced applications. The less-active savers can also use one of our digital guidance services or invest in our index funds. Nordnet operates the Nordic region's largest social investment network Shareville, with more than 300,000 members.

Pension

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

Loans

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



Financial targets.

Medium-term financial targets

Presented below are the financial targets applicable for 2021. On 11 February 2022, Nordnet presented updated financial targets, which are available on the company's website nordnetab.com.

- Annual customer growth over a period in a range of 10–15 percent, in line with the average growth rate over the past ten years;
- Average savings capital per customer (defined as the average quarterly savings capital per customer over the past 12 months) at the same levels as in 2019 (SEK 409,100), up to and including 2023;
- Income in relation to savings capital (defined as income adjusted for items affecting comparability over the past 12 months in relation to the average quarterly savings capital for the same period) marginally exceeding 0.40 percent, given the current interest rate situation, up to and including 2023;
- Adjusted operating expenses for 2021 are estimated to end up at around SEK 1,141 million.
- Nordnet intends to paying dividends 70 percent of net profit for the year.

Status as of 31 december 2021

(31 December 2020)

With regard to the financial targets set by Nordnet for the medium term, the status at 31 December 2021 is as follows:

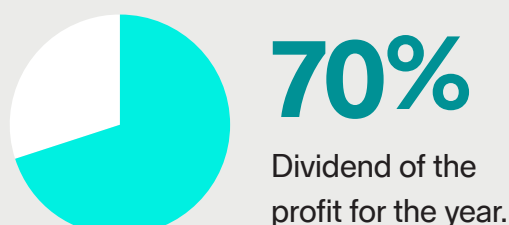
- Annual customer growth in the past 12 months amounted to 31 percent (34).
- Average savings capital per customer amounted to SEK 477,000 (415,900).
- Adjusted operating income in relation to savings capital amounted to 0.53 percent (0.60) in the past 12 months.
- Adjusted operating expenses in the past 12 months amounted to SEK 1,140.9 million (1,069.1).
- Proposed dividend of SEK 5.56 per share.



Savings capital = **477 000**
customer SEK

Operating income¹
savings capital = **0,53%**

1 141 MSEK
operating expenses¹



¹ For 2021, there are no items affecting comparability for both income and expenses.

Comments from the CEO.



We leave behind us the strongest year in Nordnet's history. Interest in taking control of your financial future by saving in shares and mutual funds remained high, and we have seen a substantial influx of customers and savings capital. Considerable further development of our digital platform was achieved over the year, and the global stock markets showed generally positive development despite the continued pandemic and restrictions.

Record growth for Nordnet over the year.

On the whole, 2021 was a year of amazing growth for Nordnet. Nearly 380,000 new customers started saving on our platform – the highest figure to date. Our overall customer base has now passed 1.6 million Nordic private savers

and customer growth for the year was 31 percent. At the end of the year, our customers' savings capital exceeded SEK 800 billion, which was attributable to a favourable stock market and record-breaking figures for savings; over the year, our customers' net savings exceeded SEK 83 billion, the highest figure to date in Nordnet's history. Our customers completed 71.6 million transactions, which was also the highest to date for an individual year. Our loan portfolio – including margin lending, residential mortgages and personal loans – passed SEK 25 billion, and showed the greatest annual growth to date in terms of both percentages and absolute figures. Margin lending and residential mortgages have shown growth of 35–37 percent over the past 12 months.

From a financial perspective too, 2021 was a record year. After a strong fourth quarter, income for the full year totalled SEK 3.63 billion. Expenses for the 12-month period ended up at SEK 1,141 million – in line with the level previously communicated. Overall we achieved profit before tax of SEK 2.45 billion for 2021 – our best full-year profit to date and slightly more than 50 percent higher than in 2020.

Expanded offering in our Nordic markets.

We always strive to create opportunities for our customers to take their savings to the next level. At the beginning of the year, we successfully launched the new EPK personal pension account in Norway. The EPK offers Norwegian savers the opportunity to collect their various occupational pensions in a single account. At the end of November, we made it possible for our Danish customers to open an equity savings account with Nordnet – an account offering more favourable tax terms for securities trading than a traditional share depository, and that was introduced relatively recently in the Danish market. With only slightly more than a month remaining until the end of the year, we opened more than 34,000 equity savings accounts,

capturing a market share of about 16 percent. We have now successfully launched straight-forward and favourable account forms for equity and mutual fund savings in all of the markets in which we operate.

Mutual funds are a priority area for Nordnet, and the ambition over the year was to strengthen our offering in this area. This savings format is perfect for those savers who lack the time or interest to select individual shares, but who seek opportunities for a high return on their long-term savings. For Nordnet, mutual fund savings result in recurring and even income, in contrast to brokerage from trading in shares, which is more dependent on market performance.

At the end of May, we launched one of the Nordic region's first technology-index funds in all of our markets – Nordnet Indexfond Teknologi. The fund tracks the well-established MSCI World Information Technology index, which comprises 185 of the world's largest tech companies. During the autumn, we submitted an application to the Swedish Financial Supervisory Authority to launch our own mutual fund company. The reason for this initiative is that we want, in the future, to have greater control of the mutual fund business and to afford ourselves greater flexibility to develop even more attractive and affordable savings products for our customers.

“Nordnet’s ambition to build the world’s best digital platform for savings and investments, and give private individuals control over their private finances in an environment they themselves have chosen, feels even more important in a time like this.”

Our journey towards the best platform for savings and investments.

Nordic savers' trust demands commitment in terms of the customer experience – a trust we nurture by continuously and purposefully building the best platform for savings and investments. It is a matter of developing innovative savings products, as well as optimizing service and user-friendliness. Over the year, we launched a number of new functions and services in our interfaces. Launches worth highlighting include significantly expanded information for mutual funds, buy and sell markers for shares in price graphs, login using QR codes, improved format for subscription-based services, expanded currency exchange information, functions enabling a clearer overview of placed orders, as well as improved functionality in graphs with improved resolution, longer time horizon and an opportunity for users to compare trends in their own portfolios with trends in the exchange-traded instruments and indices available on our platform. A much-appreciated innovation introduced during the year was the “dark mode” function, available on both the website and in the app, allowing users to switch the display mode to light characters, icons and graphic elements against a dark background. Besides many customers finding this appealing from the perspective of the user, dark mode is significantly more energy efficient than the traditional display mode with a light background. We have also launched a Swedish-language site in the Finnish market, for which Swedish-speaking savers in Finland had been longing for some time.

Satisfying proof of our progress in user-friendliness came with Nordnet's app being awarded the prestigious Red Dot Design Award, one of the world's largest and most prestigious design awards, presented annually by Design Zentrum Nordrhein Westfalen in Germany.

Our aim of democratizing savings and investments also means providing a high-capacity, operationally reliable platform. Over the year, we maintained our intensive focus on system stability, achieving our objective of 99.9 percent availability.

We promote sustainable savings.

We aim to become a leader in sustainable savings in the Nordic region. For us, this means helping customers invest sustainably by developing digital tools, making knowledge available and offering a wide range of sustainable investment options.

In September, we became the first mutual fund platform in the Nordic region to include information on the EU's new sustainability categories for mutual funds, Articles 8 and 9 or "light green" and "dark green". With Nordnet's website and app, savers can now search and sort according to these labels when initiating or changing mutual fund savings.

We have also sustainability-adjusted the management of our four international index funds by replacing the underlying index with its sustainability-adapted equivalent. This makes the mutual funds compatible with Article 8, fostering environmental or social aspects.

New initiatives for democratized savings.

Nordnet is always on the side of the savers. This is reflected not only in our ambitions regarding products and services, but also in the general debate. In the spring of 2021, it became known that a proposal to raise the tax on the ISK (investment savings account) savings format was being discussed from a political point of view. We at Nordnet got involved in the issue in different ways, mainly through our savings economist Frida Bratt. Among other things, Frida took the initiative for a petition against the proposal, quickly collecting more than 40,000 signatures. In December, it was therefore particularly gratifying to receive the "Årets Uppror" award from magazine Privata Affärer for our stance on the issue. In an interview with the newspaper Svenska Dagbladet just before Christmas, the Minister of Finance said there were no plans to introduce a ceiling for ISK savings. We take this as proof that the protest we initiated made an impression on politicians and that private savers have actually been listened to.

On 1 April, a new law came into force in Sweden stipulating a maximum fee of SEK 600 for transferring individual occupational pension plans between pension companies. At Nordnet we were involved in pushing for this positive change. However, consumer-friendly legislation must be combined with smoother practical processes to produce real benefits for savers. Over the year, Nordnet therefore made it possible for pension savers to both initiate and transfer occupational pension savings in an entirely digital process without complicated forms or physical signatures.

Thank you for joining us on our journey to build the world's best platform for savings and investments. Your commitment to Nordnet means a great deal to me and my colleagues. We look forward to new innovations and progress in 2022.



Lars-Åke Norling, CEO

Macro environment and market.

The Stock Market in 2021.

Despite the continued global pandemic and extensive restrictions, 2021 was another positive year for the stock market, both globally and in the Nordic region. The stock markets proved immune to recurring reports of new coronavirus mutations and the market's response diminished with each new wave. The main driving force for the broad upturn was the return to strong economic growth and continued support purchases by central banks. A generous monetary policy by the US Fed and European ECB alike ignited the market despite inflation being at its highest in decades in many developed countries. At the end of the year, energy prices skyrocketed due, among other things, to increased demand combined with sharply reduced supply, partly due to geopolitical tensions.

Value stocks, mainly in the traditional industrial sector and in the banking and finance sector, took their revenge while growth stocks, led by the major technology companies, continued their progress. Mega-tech companies, such as Apple, Microsoft, Amazon and Alphabet served as locomotives and saw favourable development and sharply increased profitability due to increased demand for e-commerce and digital services. At the same time, interest rates are low and access to capital is favourable. The American S&P 500 achieved 70 records, something we have not seen since 1995, climbing 29 percent including dividends. Global shares rose 19 percent, although some lagged behind - China in particular fell sharply following tightened regulatory requirements in the technology sector, energy shortages and slower economic growth than expected, resulting in a negative trend of 22 percent.

Some clear trends over the year included the "meme shares" phenomenon whereby Gamestop, AMC and Nokia made the headlines on three-figure gains without any news being published. Other popular trends include growing interest in companies in the cybersecurity, artificial intelligence and fintech sectors.

In the Nordic region, at its highest, the Swedish OMXS30 closed up 27.6 percent, closely followed by the Norwegian OBX at 25.5 percent and the Finnish

OMXH25 at 25 percent. Things were a little worse for the Danish OMXC25, which rose by 17.2 percent in 2021. Among Norway's major listed companies, MPC Container Ships, Golden Ocean Group and Nordic Semiconductors, among others, succeeded in doubling their market cap. We saw similar trends for Harvia and QT Group of Finland, as well as for Getinge in Sweden.

Our markets.

Nordnet has business activities in Sweden, Norway, Denmark and Finland. The head office is located in Stockholm, where Group-wide functions such as tech, product development and administration are located. Stockholm is also home to the customer service and sales organization for the Swedish market. There are also local offices in Oslo, Copenhagen and Helsinki with responsibility for customer service, sales and marketing in each market. We mainly communicate with our customers via digital and social channels and have no physical bank offices. Our platform handles all four markets, providing us with economies of scale and cost efficiency.

In the Nordic countries, the savings markets are dominated by traditional banks and pension companies. Nordnet is the only pan-Nordic digital platform for savings and investments and, together with one or two local competitors, bears the role of challenger in all four markets. At the same time, Nordnet has a leading position as a digital platform in Norway, Denmark and Finland and is a strong number two in the Swedish market.

Interest in savings and investments remained high in 2021. Nordnet achieved record figures in terms of new customers, savings capital and trading activity. For the Nordic region as a whole, annual customer growth was 31 percent and the savings ratio was 15 percent. Both savings capital and lending reached new record levels. With its strong growth in income and its expenses virtually unchanged, Nordnet achieved an adjusted operating profit of slightly more than SEK 2.5 billion for the full year. Profit for the year 56 percent higher than for 2020 and the highest in Nordnet's history.

Sweden.

In the Swedish market, we are one of several players who are challenging the traditional banks and pension companies with greater freedom, an improved customer experience and lower prices. We offer investments and pension savings in a broad range of various products and kinds of savings primarily for private savers. In the Swedish market, we also offer residential mortgages and personal loans. Of the four Nordic countries in which we operate, Sweden is the largest market. We differ from our competitors by offering a so-called “one-stop shop” for savings and investments, favourable loan terms and digital tools for smarter savings. We are the only actor that provides free-of-charge index funds in three Nordic markets. With our stock lending program, we can offer private savers in Sweden a third type of return, in addition to value growth and dividends. On our social investment network Shareville, our customers share their actual investments in real time.



Significant events:

- The stock lending program continues to generate value for our customers – almost SEK 70 million was paid out in bonuses to Swedish savers over the year.
- Nordnet’s flagship event Nordnet Live was arranged for the eighth time – on this occasion again, it was held in digital format.
- In the third quarter, Nordnet applied to launch a mutual fund company, with the new operations scheduled to commence in the spring of 2022.

In 2021, income in Nordnet’s Swedish operations increased by 20 percent compared with the preceding year. The increase is mainly attributable to increased transaction-related income, where transactions per customer increased by 14 percent and trade outside the domestic market increased by 2 percent compared with 2020. In addition, net commission income was improved by increased mutual fund savings. Net interest income increased by 8 percent and amounted to SEK 455.8 million (423.6). Higher volumes in residential mortgages, margin lending and higher income from Nordnet’s stock lending program contributed positively to profit, but were hampered somewhat by increased expenses for the deposit guarantee. Expenses decreased by 5 percent, which was due to profit for the preceding year being burdened by items affecting comparability on the expense side, which were attributable, among other things, to Nordnet’s IPO. No comparative items were charged to expenses for 2021. The operating margin was 63 percent (54).

Trading activity, customer inflow and savings capital alike were all at high levels. The number of transactions amounted to 26.8 million (23.5), an increase of 14 percent compared with January-December 2020. At the end of the year, the customer base in Sweden amounted to 451,100 customers (397,800), corresponding to a 13-percent increase compared with 2020. At the end of December, savings capital amounted to SEK 342.2 billion (247.7). Net savings for the period January-December 2021 were down 30 percent at SEK 18.4 billion (26.5). The higher level of net savings in 2020 is explained by positive non-recurring effects in connection with Nordnet’s IPO in November 2020.

In margin lending, the lending volume increased by 34 percent compared with the preceding year, amounting to SEK 4.6 billion (3.4) on 31 December 2021. In Nordnet’s residential mortgages, the lending volume amounted to SEK 8.9 billion (6.5) at the end of the year. In personal loans (unsecured loans), there were 27,200 customers (26,200) and the lending volume was SEK

Key figures Sweden	2021	2020
Income, SEK million	1,324.2	1,106.8
Operating profit, SEK million	840.4	594.8
Operating margin	63%	54%
Number of customers	451,100	397,800
Savings capital, SEK billion	342.2	247.7
Net savings, SEK billion	18.4	26.4
Trades	26,767,600	23,487,100
Lending, SEK billion ¹	17.6	13.9

¹ Lending excluding pledged cash and equivalents, see Note 21.

Aim high.

We want to give you optimum conditions for developing your savings. Because, regardless of your background, expertise or wallet, you can always take your savings to the next level.



4.1 billion (4.0) on 31 December 2021.

Over the year, Nordnet, with savings economist Frida Bratt at the fore, drove public opinion to stop a political proposal to raise the tax on savings in investment savings accounts. Among other things, Nordnet organized a petition against the proposal, which quickly collected 40,000 signatures from Swedish savers. The initiative was recognized by business magazine *Privata Affärer* with the “Årets Uppror” award.

As in previous years, we arranged our flagship event Nordnet Live. For the eighth consecutive year, we invited guests to speak on topical aspects of savings and investments to participate in an online version of the event. We were visited by Sweden's Minister for Financial Markets, Åsa Lindhagen (MP), former Minister for Finance, Anders Borg, the CEOs of Kinnevik, Latour, Evolution and Embracer, as well as well-known profiles in day trading and crypto.

Digitization and automation are important in improving and simplifying the customer experience on our platform. Over the year, we digitized the relocation process for pension savings, and used Kivra for the ongoing dialogue with our personal loan customers.

Norway.

In the Norwegian market, Nordnet offers investment and saving services and pension savings for private individuals and companies. We differ from traditional banks and pension companies by offering more choices and better conditions. We offer a stock lending program with an opportunity for a third type of return on shares, margin lending with securities as collateral on favourable terms, free-of-charge index funds, digital guidance tools for savings and the social investment network Shareville.

Significant events:

- Launch of EPK pensions account.
- A milestone was reached with 300,000 savers having joined Nordnet's platform.
- Nordnet is Norway's largest broker for savings and investments in January-April.



In 2021, income in Nordnet Norway rose by 44 percent compared with the preceding year. Net commission income amounted to SEK 562.2 million (383.0). The increase is mainly attributable to transaction-related income as the number of transactions increased by 25 percent and trading outside the domestic market increased by 70 percent compared with 2020. Net interest income increased by 19 percent and amounted to SEK 169.7 million (142.2). The increase is mainly due to increased income in margin lending and the stock lending program. The outcome for excess liquidity deteriorated in 2021 compared with 2020 since the interest rate level was lower in 2021 compared with early 2020. Expenses decreased by 6 percent, which was due to profit for the preceding year being burdened by items affecting comparability on the expense side, which were attributable, among other things, to Nordnet's IPO. No comparative items were charged to expenses for 2021. The operating margin amounted to 67 percent (50) for the period January–December.

As in other markets, Nordnet Norway experienced a major influx of new customers and high net savings over the year. On 31 December 2021, the number of active customers in Norway amounted to 336,800

Key figures Norway	2021	2020
Income, SEK million	749.1	520.3
Operating profit, SEK million	504.4	260.5
Operating margin	67%	50%
Number of customers	336,800	235,300
Savings capital, SEK billion	133.2	89.3
Net savings, SEK billion	20.8	16.5
Trades	16,778,600	13,445,900
Lending, SEK billion	2.5	1.9

¹ Lending excluding pledged cash and equivalents, see Note 21.

(235,300), corresponding to customer growth of 43 percent over the past 12-month period. Net savings for the period January–December increased by 26 percent to SEK 20.8 billion (16.5). As of 31 December 2021, savings capital amounted to SEK 133.2 billion (89.3). In margin lending, the lending volume increased by 32 percent to SEK 2.5 billion (1.9) compared to 12 months previously.

The number of transactions increased in all of our markets, and our Norwegian customers made 25 percent more transactions over the year compared with full year 2020. For several individual months, Nordnet was the largest broker on the Oslo Stock Exchange, in terms of both volumes in NOK and the number of transactions.

Over the year, we successfully launched the new EPK pension account. The reform introducing the EPK account offers Norwegian savers an opportunity to collect their various occupational pensions with a single pension company. In November, we presented new pricing models for mutual fund savings at Nordnet, which will take effect in April. The greatest change is a reduction by a third in the platform fee for index funds. The change was implemented to counter competition in the market and to optimally meet our customers' needs.

Denmark.

In Denmark, Nordnet holds a leading position as a customer-focused bank with low fees and competitive tools for savings and investments. We compete primarily with the major banks in the market, as well as with pension companies. Our offering is distinguished by unique products including free-of-charge index funds, margin lending and the social investment network Shareville. Our pension offering, with no fixed charges, also stand outs in the market. Pension savings accounts for more than half of the savings in Denmark and many Danes are choosing to move their pensions to Nordnet.

Significant events:

- The Danish Shareholders Association names Nordnet as “Broker of the Year” for the 12th consecutive year.
- Successful launch of the new equity savings account format, with more than 34,000 accounts opened in a brief period.
- Strong growth in the monthly savings service.

In 2021, income in Nordnet Denmark rose by 47 percent compared with the preceding year. A larger customer base and increased trading activity per customer made a positive contribution to net commission income, which amounted to SEK 745.8 million (539.5). Net interest income amounted to SEK 73.0 million (31.7). Higher lending volumes in margin lending and increased returns on excess liquidity contributed positively to profit – higher deposit volumes giving negative interest rates. Expenses have increased by 1 percent, related mainly to the high level of customer growth. On the expense side, no items affecting comparability were charged against profit for the year. The operating margin was 74 percent (62).



As in the other markets, savings capital, net savings and trading activity in Denmark reached new heights during the year. Savings capital at the end of the year amounted to SEK 172.0 billion (118.1). Net savings for the period January–December 2021 amounted to SEK 30.6 billion (22.0). The number of trades during the period January–December 2021 increased by 42 percent compared with the corresponding period in the preceding year. Margin lending also increased sharply,

Key figures Denmark	2021	2020
Income, SEK million	847.1	577.1
Operating profit, SEK million	624.4	356.3
Operating margin	74%	62%
Number of customers	330,600	210,400
Savings capital, SEK billion	172.0	118.1
Net savings, SEK billion	30.6	22.0
Trades	13,894,000	9,785,000
Lending, SEK billion	2.4	1.7

rising 42 percent compared with the preceding year, to SEK 2.4 billion (1.7) on 31 December 2021.

In November, we launched the equity savings account savings format in Denmark. During the first week, 17,400 new accounts were opened and a total of 34,000 equity savings accounts had been opened with Nordnet by the end of the year. In August, we passed the milestone of 300,000 customers, and it was also in the Danish market that we were able to show our strongest customer growth in 2021. On 31 December 2021, the number of customers amounted to 330,600 (210,400), an increase of 57 percent over the past 12 months. In the fourth quarter, Nordnet Denmark was named “Broker of the Year” for the 12th time by the Danish Shareholders’ Association. The award was motivated by the customer offering, the user-friendliness of the platform, as well as low fees and the opportunity for trading outside the domestic market.

Finland.

Nordnet has a leading position in the Finnish savings market, and we are perceived more as a modern and customer-friendly bank than our competition. We offer Finland’s largest range of mutual funds, including our own free-of-charge index funds. Other unique products at Nordnet are Shareville and our innovative margin lending. In Finland, we offer services for investments, savings and loans, as well as digital tools for savings on the customer’s own terms.

Significant events:

- Nordnet has a 76 percent market share in equity savings accounts in Finland.
- Nordnet climbed in the rankings of most sought-after employer in the Universum Awards, ending up in seventh place among business students and 27th among academics, compared with 33rd in 2020.
- Our Finnish YouTube series “Trader’s Club” reached a milestone with 100 episodes and, in partnership with Nextory, we released the “Investment Handbook” audiobook, which explains how to get started with investing.

In 2021, income in our Finnish operations rose by 49 percent compared with the preceding year. Net commission income amounted to SEK 616.1 million (444.9). The increase is mainly attributable to transaction-related income, the increase in the number of transactions

by 20 percent and the increase in trading outside the domestic market by 60 percent compared with 2020. Expenses decreased by 6 percent, mainly due to profit for 2020 being burdened by non-recurring expenses. There were no items affecting comparability in 2021.



At the end of the year, there were 482,500 active customers (378,000), corresponding to an increase of 28 percent compared with 31 December 2020. Over the year, Finland grew to become the market in which we have most customers.

Savings capital and margin lending showed strong growth in Finland, as in our other Nordic markets. As of 31 December 2021, savings capital amounted to SEK 154.2 billion (109.8). Net savings for the period January–December 2021 amounted to SEK 13.6 billion (17.2). Portfolio margin lending increased by 33 percent compared with the period January–December 2020 and amounted to SEK 2.9 billion (2.1). Trading activity was high, with the number of trades in the period January–December 2021 rising by 20 percent compared with the corresponding period in the preceding year.

Nordnet holds a strong position in the Finnish market, which has been further strengthened since the launch of the equity savings account. In the fourth quarter, barely two years after the launch, Nordnet had a 76 percent market share in equity savings accounts. At the end of the year, we had 184,737 equity savings accounts in Finland, an increase of 63 percent compared with 31 December 2020.

In October, we launched a Swedish-language website in the Finnish market for customers preferring that language. We hope the website will make Nordnet the natural choice for Swedish-speaking savers in Finland.

Key figures Finland	2021	2020
Income, SEK million	708.0	474.6
Operating profit, SEK million	482.0	235.0
Operating margin	68%	50%
Number of customers	482,500	378,000
Savings capital, SEK billion	154.2	109.8
Net savings, SEK billion	13.6	17.2
Trades	14,182,700	11,811,900
Lending, SEK billion	2.9	2.1

Market share.

In the area of share trading for private investors, Nordnet competes with a number of online players, as well as with the traditional banks. Nordnet's market shares for share trading on the Nordic exchanges amounts to 4–9 percent in terms of traded volumes, and 5–11 percent in terms of the number of trades, depending on the market.

Nordnet's market share

2021	Sweden	Norway ¹	Denmark	Finland
Volume	3.81%	9.40%	5.08%	5.87%
Number of trades	4.95%	n/a	6.33%	10.98%

2020	Sweden	Norway	Denmark	Finland
Volume	3.6%	8.2%	4.6%	5.7%
Number of trades	5.0%	11.8%	5.8%	11.2%

Table: Nordnet's share per market of share trading on the Nordic exchanges.

Source: Market data from Nasdaq in Sweden, Denmark and Finland and from the Oslo Stock Exchange in Norway.

¹ The market share for the Oslo Stock Exchange for 2020 relates to the period January–November as the reporting from the marketplace changed in December 2020 and relevant data is no longer available.


Items affecting comparability

SEK million	Q4 21	Q3 21	Q2 21	Q1 21	Q4 20	2021	2020	2019	2018	2017
Delisting from Nasdaq										-45
Acquisition of Netfonds								-35	-16	
Deduction right VAT							-20	-30		
Expenses related to the IPO					-99		-109			
Revaluation of the shareholdings in Tink AB								66		
Total	0	0	0	0	-99	0	-129	1	-16	-45

Nordnet Group – five-year summary.

Financial overview, SEK million	2021	2020	2019	2018	2017
Consolidated income statement					
Net comission income	2,730	2,021	940	870	803
Net Interest income	717	604	498	378	386
Net result of financial transactions	18	-14	66	4	0
Other operating income	164	69	70	59	55
Operating income	3,628	2,679	1,573	1,310	1,244
General administrative expenses	- 918	-992	-948	-950	-865
Depreciation	- 163	-158	-174	-106	-90
Other operating expenses	- 61	-44	-40	-78	-53
Operating expenses	-1,141	-1,193	-1,162	-1,133	-1,009
Net credit losses	-36	-39	-34	-36	-35
Operating profit	2,451	1,447	377	141	200
Tax	-467	-274	-38	-23	-33
Operating profit after tax	1,985	1,173	339	118	167
Earnings per share before dilution (SEK)	7.79	4.55	1.25	0.47	0.67
Earnings per share after dilution (SEK)	7.75	4.55	1.25	0.47	0.67
Items affecting comparability, income	-	-	66	-	-
Items affecting comparability, expenses	-	-129	-65	-16	-45
Adjusted operating expenses before credit losses	-1,141	-1,064	-1,097	-1,117	-964
Adjusted operating profit	2,451	1,576	377	157	245
Adjusted earnings per share pre amortization of intangible assets due to PPA after dilution (SEK)	7.86	5.10	1.37	0.64	0.95
Key figures	2021	2020	2019	2018	2017
Adjusted operating income in relation to savings capital - rolling 12 months %	0.53%	0.60%	0.44%	0.44%	0.49%
Adjusted operating expenses in relation to savings capital - rolling 12 months %	0.17%	0.24%	0.32%	0.38%	0.38%
Operating margin %	68%	54%	24%	11%	16%
Adjusted operating margin %	68%	59%	25%	12%	20%
Cost/income %	31%	45%	74%	86%	81%
Adjusted Cost/income %	31%	40%	73%	85%	77%
Profit margin %	55%	44%	22%	9%	13%
Return on equity (annulized) %	44%	37%	13%	6%	8%
Adjusted return on equity (annulized) %	44%	40%	13%	7%	10%
Adjusted return on equity excl intangible assets (annulized) %	56%	57%	21%	10%	14%
Customers	1,601,000	1,221,500	913,600	765,200	669,300
Annual customer growth %	31%	34%	19%	14%	18%
Net savings (SEK billion)	83.4	82.2	20.9	23.5	17.3
Savings ratio %	15%	21%	7%	9%	7%
Savings capital (SEK billion)	802	565	395	286	272
of which shares/derivatives/bonds	573	404	268	185	179
of which funds	154	100	82	57	59
of which deposits	74	60	45	43	34
Average savings capital per customer - 12 months rolling (SEK)	477,000	415,900	409,100	411,800	414,900
Lending (SEK billion)	25.4	19.7	15.6	13.7	11.4
of which margin lending ¹	12.4	9.2	7.1	5.6	5.3
of which mortgages	8.9	6.5	4.5	4.2	2.4
of which personal loans	4.1	4.0	4.1	4.0	3.7
Investments in tangible assets (SEK million)	46	12	46	84	29
Investments in intangible assets excl. company acquisitions (SEK million)	121	93	91	112	88
Number of full-time equivalents at end of period	648	571	494	494	465

¹ Lending excluding pledged cash and equivalents.

A photograph of a dense forest with a dirt path in the foreground. The trees are mostly green, with some showing early autumn colors. A thick mist or fog hangs over the forest, obscuring the background. The sky is a pale, hazy white. The text "Sustainability report." is overlaid in white on the left side of the image.

Sustainability report.

Sustainability in figures.

	2021	2020
Investments in sustainable funds ¹ (31 Dec)	59 percent of the fund capital	—
Fund customers with sustainable funds in their portfolios ¹ (31 Dec)	71 percent	—
Proportion of women customers (31 Dec)	31 percent	30 percent
Equal opportunity workplace (31 Dec)	36 percent women	36 percent women
Healthy workplace	2.1 percent sick-leave	2.5 percent sick-leave
Greenhouse gas emissions per exchange trade	1.7 g CO ₂ e	2.6 g CO ₂ e
Total greenhouse gas emissions	122 tonnes CO ₂ e	153 tonnes CO ₂ e
Climate compensation	110 percent	110 percent

¹ EU definition of sustainable mutual funds, Articles 8 and 9, or “light green” and “dark green”. In previous years, we have used Morningstar’s sustainability rating to define which mutual funds are sustainable, which is why no comparative figures are presented.

Sustainability.

Sustainability is a central part of Nordnet's operations, and a sustainable approach is in line with our overarching aim of democratizing savings and investments. We conduct activities and investments fostering socially beneficial objectives while also enhancing Nordnet's long-term competitiveness.

Agenda 2030 and the UN's global goals represent the world's most ambitious framework for sustainable development. As a digital platform in savings and investments, we can contribute to the goals by conducting activities that inspire and influence, as well as by conducting responsible and sustainable operations. Of the UN's 17 global sustainability goals in total, we have selected the six goals we consider closest to our own areas of focus, thus linking our own sustainability work to the global challenges we face.

Our sustainability strategy comprises the three main areas:

Democratizing savings and investments.



Increase knowledge in society regarding personal finances through education and advocacy.

Develop user-friendly and educational digital services for savings and investments.

Become a leader in sustainable savings in the Nordic region.

Equality and diversity.



A more even gender distribution in savings and investments.

A workplace characterized by gender equality and diversity.

Offer a meaningful professional future for young people and others in the Nordic region, where there is potential to increase digital knowledge.

A responsible and sustainable business.



Practice transparency, regulatory compliance and superior ethical standards to maintain trust in Nordnet and in the industry as a whole.

Safeguard a favourable work environment in terms of physical and mental health, personal development and an engaging culture.

Mitigate negative impacts on the environment and climate.

Democratizing savings and investments.

The overarching purpose of Nordnet's operations is to democratize savings and investments by offering private savers access to the same tools, information and services as professional investors. We try to realize this ambition by developing user-friendly digital products and services, engaging in the public dialogue on personal finance issues, and by educating and coaching our customers to save better.

Education and advocacy in personal finance.

Education in personal finance is an important part of our aim to democratize savings and investments. We produce our own content, which is intended to inspire savings in an engaging manner, and which is distributed both through our own channels and external ones. In Finland, we are conducting the Savings and Investment School (Lukiolaisten sijoittajakoulu) project in partnership with the Finnish Shareholders Association and Economy and Youth TAT. This educational initiative reached out to more than 60 upper-secondary schools around the country with the aim of educating students in savings and investments, as well as providing teachers with tools to teach the basics of the subject.

During the coronavirus pandemic, we invested additionally in digital seminars and web-based courses. For the eighth consecutive year, we invited guests to speak on topical aspects of savings and investments to participate in an online version of our flagship event Nordnet Live. We were visited by Sweden's Minister for Financial Markets, Åsa Lindhagen (MP), former Minister for Finance, Anders Borg, the CEOs of Kinnevik, Latour, Evolution and Embracer, as well as well-known profiles in day trading and crypto.

Led by our Swedish savings economist Frida Bratt, we have, during the year, advocated to stop a political proposal to worsen the terms for saving in investment savings accounts, including introducing a ceiling on how much can be saved in such accounts. Among other things, Nordnet organized a petition against the



Nordnet received the "Årets Uppror" award from business magazine Privata Affärer for the bank's fight for fair terms on investment savings accounts (ISKs).



Students participating in the Savings and Investment School (Lukiolaisten sijoittajakoulu) project in partnership with the Finnish Shareholders Association and Economy and Youth TAT.

Investments in educations of the public, SEK thousand	2021	2020	2019
Cost for Nordnet's education activities			
Savings economists	-6,387	-6,156	-6,013
Nordnet Live Stockholm	-144	0	0
Nordnet blog	-75	-493	-459
Podcast	-1,461	-902	-834
Total	-8,067	-7,551	-7,306

The table shows our expenses for educational efforts for our customers and the general public. The Nordnet blog is our inspiration platform for savings and investments in Sweden, Norway, Denmark and Finland. Expenses for the Nordnet blog include web hosting expenses and payroll expenses in connection with operation. Podcasts refers to the production expenses for the podcasts in Sweden, Norway, Denmark and Finland and to expenses for equipment.

proposal, which quickly collected 40,000 signatures from Swedish savers. The initiative was recognized by business magazine Privata Affärer with the “Uprising of the Year” award. Other examples of issues where Nordnet committed itself to better savings terms in 2021 included our advocacy of more customer-friendly terms in pension savings, such as an extended right of transfer for savings initiated before 2007.

Digital and user-friendly tools.

In 2021, we launched a large number of updates and improvements, both to the website and mobile app, including buy and sell markings in the stock graph, login using QR codes and an update of the adjustable quick menu that currently provides users with the latest market news. We have also launched dark mode for the website, reducing the electricity consumed by our customers' electronic devices – read more on page 36.



Nordnet wants to democratize savings and investments and give all Nordic private individuals access to a user friendly platform to be able to take control over their finances, in line with global sustainable development goal 8 *Decent work and economic growth*.

Sustainable savings.

Sustainable mutual funds.

We offer slightly more than 2,400 different mutual funds in our different mutual fund portals. The range consists of mutual funds from both established major and smaller start-ups, and spans different types of asset classes, regions, sectors and management styles. We offer customers the opportunity to independently select the investment options that suit them best, based on the tools and information provided in our interfaces.

Each year, we report the extent to which our customers choose sustainable funds, and in 2021 we began measuring this in accordance with the EU definition of sustainable mutual funds, Articles 8 and 9, or “light green” and “dark green”). We have previously used Morningstar's sustainability rating to define which funds are sustainable.

At the end of the year, Nordnet offered savings in slightly more than 1,500 mutual funds categorized as Article 8 or 9, of which 149 are Article 9. An Article 8 mutual fund is one that fosters environmental and/or social characteristics. To be categorized as Article 9, the objective of the mutual fund must be sustainabili-

Savings at Nordnet, SEK billion	2021	2020	2019
Nordnet customer savings			
Net savings	83	82	21
Total savings capital	802	565	395

The table above shows Nordnet's indirect economic impact in accordance with GRI GRI 203–2 in the form of net savings and total savings. Net savings refers to capital deposited less capital withdrawn.

ty. As of 31 December 2021, the share of mutual fund savings in categories 8 or 9 amounted to 59 percent of the total mutual fund savings in Nordnet, of which 5 percent belonged to category 9. At that time, the savings capital in sustainable funds amounted to SEK 91 billion. Among our mutual fund clients, 71 percent had investments in sustainable funds.

In 2021, we also sustainability-adjusted the management of our four international index funds by replacing the underlying index with its ESG-adapted equivalent. These four mutual funds – Nordnet Europe, USA, Global and Emerging Market – are now categorized as Article 8.

Functions for investing sustainably.

Nordnet's website provides digital tools that make it easier for savers to invest more sustainably through, among other things, the option of choosing mutual funds with low climate risk and a filter function allowing savers to screen out unwanted holdings in mutual funds, such as those involving weapons or tobacco. In 2021, we became the first mutual fund platform in the Nordic region to include information on the EU's new sustainability categories for mutual funds, Articles 8 and 9. With Nordnet's website and app, savers can now search and sort according to these labels when initiating or changing mutual fund savings. We continuously develop our product range in sustainable investments in line with demand from savers.

Membership in Norsif and Swesif.

Nordnet is a member of the trade associations Swesif and Norsif, both of which are counterparts to the European trade association Eurosif. Swesif and Norsif are independent networking forums for sustainable investments.



For us, it is important that everyone has access to knowledge of personal finances. With our efforts in education and influencing the public debate, we want to contribute to the UN global sustainable development goal 4 *Quality education*.



Promoting economic inclusion in society, according to the UN Global sustainable development goal 10 *Reduced inequalities*, go hand in hand with our objective of democratizing savings and investments. We want to inspire everyone regardless of background, gender or age to take control over their personal finances.

Equality and diversity.

At Nordnet, we are working actively to engender greater equality among private savers. Giving everyone an opportunity to start saving and to take control of their finances is a basic prerequisite for democratizing our industry. For us, it is also important to be an equal workplace and to provide equal opportunities within the company. We consider an equal organization pervaded by diversity and an inclusive culture as an asset with which conditions for innovation, creativity and productivity are enhanced.

More even gender distribution in savings and investments.

Nordnet's customer base mainly comprises men, who generally also have more savings in shares and mutual funds. We want to help get more women saving on the stock market and to increase gender equality in the stock market. We seek to inspire women to invest in the stock market through our savings economists and spokespersons, but also through partnerships. In 2021, 36 percent (34) of all new customers were women. Overall, at the end of 2021, there were 31 percent women in the customer base, which is comparable with the number of women customers at the end of 2020, when they accounted for 30 percent of the customer base.

In 2021, we commenced a successful collaboration with Google aimed at educating female employees in savings and investments. On four occasions, nearly 100 employees at Google had the opportunity to share knowledge and broaden their views on savings and investments.

Partnership with Girls Invest in Finland.

In our partnership with the influencer duo "Girls Invest" ("Mimmit sijoittaa"), we adapted to the coronavirus situation in 2021 to collaborate with experts Pia-Maria Nickström and Hanna Tikander and produce a video series in which they discussed various types of savings and investments.

On International Women's Day on 8 March, we chose to highlight the Gender Diversity Index produced by the European Woman on Board organization. This is a gender equality index that ranks companies according to their level of gender-equality, taking all of the company's management and leadership positions into account. With the aim of further inspiring our customers, and as a basis for decision-making when choosing investments, we presented the most gender-equal Nordic companies in accordance with this ranking.





Power Women in Tech is Nordnet's career network for women in fintech, which was launched in 2018 and now has approximately 2,800 members.

More women for a career in fintech.

Fintech is a male-dominated industry. Accordingly, we seek to influence the sector and make it more attractive for women to apply. We achieve this in several ways, including by working actively to increase the proportion of women in our recruitment processes, but also through our Power Women in Tech career network. Read more about Nordnet's internal work on gender equality and diversity on pages 29–33.

Power Women in Tech, Sweden.

Power Women in Tech is Nordnet's career network for women in fintech, which launched in 2018 and has now about 2,800 members. The network is a meeting place for women working in fintech or planning a career in this field. During our meetings, we gather female role models in the industry and give our members access to valuable exchanges of experience. In 2021, we arranged two digital events with Power Women in Tech. We offered inspiration and career tips alongside female leaders from Apple, Meta, Spotify, TikTok and Hemnet to name just a few.

Create a meaningful professional future for young people in the Nordic region.

For us, attracting appropriate tech expertise is a success factor that enables us to continue strengthening

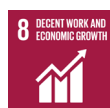
our customer offering as a digital platform. Accordingly, we seek to be involved and to contribute to increased digital learning in society, and to support young people learning programming at an early stage.

Kodcentrum, Sweden.

Nordnet collaborates with the organization Kodcentrum, to inspire children to create digitally. We contribute financially and also arrange get-togethers, such as kid hackathons. Alongside Kodcentrum, we can contribute to digital development and lower the barriers to children making their future careers in programming. In 2021, because of the coronavirus situation, we chose to arrange a digital event with Kodcentrum to inspire high school students to choose a career in the fintech industry. Employees from Nordnet participated in a panel discussion during an inspiring morning. The collaboration with Kodcentrum is continuing and, in 2022, we hope to be able to conduct more joint activities.



Women should have the same rights as men and equal rights to financial resources. By inspiring women to save more in the stock market, we aim to contribute to UN's global sustainable development goal 5 *Gender equality*.



By getting involved in digital learning for young people, we want to inspire young people to take up a future career in accordance with UN's global sustainable development goal 8 *Decent work and economic growth*.

A responsible business.

Nordnet strives to conduct responsible operations and to leave as positive an impression as possible in the markets in which we operate. Our guiding principles are transparency, superior ethical standards and benefit for savers in all parts of our offering.

Values.

Our values of passion, simplicity and transparency permeate everything we do. With a positive attitude and high level of energy, we make a little extra effort to engender satisfied and loyal colleagues and customers. We believe that user-friendly financial products, direct and straightforward communications, as well as modern ways of working foster commitment and energy. By saying it as it is and by being open, accessible and honest, both internally and externally, we build trust and foster an inclusive culture.

Internal guidelines.

Nordnet conducts banking and insurance operations. In this type of business, it is important to act ethically and responsibly, to ensure good governance and control, and to prevent risks. Nordnet's control functions monitor the operations regularly, and review internal control documents annually.

To foster trust in Nordnet's operations, it is important that all employees are familiar with our ethical guidelines and Code of Conduct and act based on these. On commencing their employment and once a year thereafter, all employees must sign Nordnet's Code of Conduct. To ensure good ethics, confidentiality and knowledge regarding money laundering in the operations, internal training is conducted annually. Employees also receive training in, for example, communications, complaints handling, IT security and market abuse for employees particularly affected by these areas.

All employees are expected to adhere to current internal rules and guidelines in anti-corruption. In 2021, a new Anti-Corruption Policy was adopted to more clearly state Nordnet's views on corruption and its measures to combat this. An anti-corruption course for all employees was also launched. No incidents concerning corruption were reported over the year or discovered through Nordnet's control processes and systems.

Some employees in the Swedish operations, such

as brokers, require a Swedsec licence. To increase expertise and to enhance the quality of our contacts with customers, other employees are also encouraged to undergo training to meet the licensing requirements. Corresponding licensing requirements also exist for certain roles in Nordnet's Danish, Finnish and Norwegian operations. At the end of 2021, 127 of our employees were licenced, corresponding to about a quarter of our employees in Sweden.

Promoting good business ethics.

Nordnet is a member of the Swedish Securities Markets Association and the Swedish Bankers' Association, and has based the company's own ethical rules on the framework established by the Swedish Securities Market. For Nordnet's operations, the confidence of customers, supervisory authorities and other stakeholders is of the utmost importance. Circumstances that may damage this trust can also potentially harm Nordnet's operations. It is therefore important that Nordnet, among other things, identifies and manages potential conflicts of interest – an area in which we conduct workshops and courses annually.

In order to identify potential or actual events that violate Nordnet's internal regulations, Nordnet has, in addition to clear internal escalation and reporting processes, a whistle-blower function with which employees can anonymously report violations. In 2021, three potential violations were reported through this function. These incidents have been addressed in accordance with applicable internal procedures and regulations.

Combating financial crime.

Financial sector players are always at risk of being exploited by criminals for financial crimes such as money laundering, fraud, unfair market impact or insider trading. The presence of such criminal activities and violations may harm Nordnet and its customers, brands and investors. Accordingly, Nordnet works long-term to ensure good business ethics and transparency, to uphold confidence in relations with customers, employees, owners, suppliers and other stakeholders. In



accordance with the Money Laundering and Terrorist Financing (Prevention) Act, Nordnet must maintain a good level of awareness regarding its customers. Nordnet also continuously monitors customers' transactions to detect any suspected of being linked to money laundering, financing of terrorism or other crimes. Against this background, Nordnet has systems and procedures in place for detecting such transactions and reporting them to the relevant authorities. We also continually perform risk assessments of customers, products and services. In addition, all employees undergo mandatory annual training in matters relating to money laundering and financing of terrorism.

Nordnet's customer base currently comprises some 1.6 million savers and, for a small number of these, there is no complete documentation in accordance with current rules regarding money laundering. The customers affected are essentially inactive and have limited savings capital. Although the customers concerned are already blocked for trading, updated guidance from Swedish Financial Supervisory Authority requires us to terminate these customer relationships if the customers fail to provide us with previously requested documentation. Such measures are not expected to have a significant effect on our income or profitability, although they will have a negative impact on the size of the customer base and savings capital. The scope of the measures required of Nordnet in this respect has been described in more detail in our interim report for the third quarter of 2021, and the current impact on customer base and savings capital in connection with the customer-related statistics published monthly by Nordnet.

In 2021, the department at Nordnet that works to combat financial crime was reorganized. In connection with this reorganization, additional resources were earmarked and additional expertise has been recruited. As of January 2022, the function is directly subordinate to the CEO.



By combating financial crime, corruption and contributing to a stronger society, Nordnet can influence UN's global sustainable development goal 16 *Peace, justice and strong institutions*.

Personal integrity.

Nordnet places great emphasis on safeguarding the integrity of its customers and employees and on the processing of personal data. Based on the General Data Protection Regulation (GDPR), we continuously review how personal data is processed in the operations, means that we perform relevant impact assessments regarding the processing of personal data when developing new products or services, and also have processes to ensure that data protection is built into new systems. Our processes also include careful review of suppliers from a security and data protection standpoint, with strict demands being placed on suppliers in aspects such as contractual obligations, organizational procedures and technical security measures, followed by adequate review processes. Anyone who has registered is entitled to receive details of their personal data that we process and of how and why we use this data.

Internal rules have also been established and updated in accordance with relevant legal developments in the area, development of practices and recommendations, as well as guidelines from relevant authorities at the national and EU levels, to ensure that personal data is handled correctly. Nordnet has also appointed a data protection officer to monitor the handling of personal data in the operations. More information about how we handle personal data can be found at nordnet.se and the corresponding sites in the countries in which we operate.

Information and IT security.

For Nordnet, proper and secure information management is important in maintaining trust from customers, authorities, owners and partners. Maintaining this trust and making use of the potential of digitalization requires structured information and IT security work, which is integrated throughout our entire operations. We ensure this by:

- Involvement of Management and the Board in the design of the company's security strategy.
- The overarching objective of the security strategy is to support Nordnet's business strategy and is based on an analysis of existing capabilities, current threat scenarios, identified risks and current regulatory requirements.
- A management system has been established in which roles and responsibilities regarding security are presented clearly.
- Organization, processes and technical solutions for proactive security work are established and further developed in accordance with the security strategy and with a particular focus on cyber security.
- Through various security forums, we collaborate with other players in the financial market, this helping to protecting the financial system.
- Our various IT systems are monitored around the clock, throughout the year.
- Our employees regularly attend General Security Awareness Training.

Over the year, a large number of activities to increase security were carried out within the framework of Nordnet's security strategy. These have contributed to, among others, the following improvements:

- Identifying and addressing security risks.
- Protecting data and IT systems from unauthorized access and handling.
- Detecting events in the IT environment that may be early indications of a cyber attack or other form of security incident.
- Effective handling of security incidents, including major cyber attacks.



The design and development team whose commitment and expertise helped us achieve first place for best app design in the international design competition Red Dot Award, in the main category "Brands and communication", the subcategory "Finance apps".

Employees.

Our employees are our most important asset and satisfied employees are key to our success. To ensure employees are happy, we actively work to create an engaging workplace, that prioritizes health, equality and diversity. We value the diversity of our employees as an asset that generates creativity and innovation, and that fosters a committed and dynamic culture.

A work environment and value-driven culture that challenge the individual.

Inspiring, developing and fun! That's what we want the Nordnet working experience to be. Our values of passion, simplicity and transparency permeate everything we do, from contact with customers to product innovation and collaboration between departments internally. In order for us to achieve our vision and live up to our values, we want to create a workplace where each individual sees great potential for personal development and where diversity is an asset. We are convinced that this leads to creativity, innovation, commitment and good results.

Since its inception in 1996, Nordnet has been a challenger in the industry and our aim to democratize savings and investments is as strong now as it was then.

Our role as challenger and our overarching purpose have given rise to a strong culture in which our employees have considerable scope for influencing the operations, regardless of what they work with. To achieve our vision of becoming the first choice for savers and investors in the Nordic region, we must always continue to challenge and think in new ways, keeping our sights on the objective of building the best platform for savings and investments. We want the work environment and culture at Nordnet to be pervaded by cooperation, flexibility and inclusion. This allows employees to be creative, personally engaged in our operations and inclined to make their voices heard in various contexts. At the same time, we want our workplace to be pervaded by a familiar, warm and relaxed atmosphere where our employees feel at home and confident in achieving their full potential.

Personal development.

Nordnet works long-term to create an attractive work environment, to become a stronger organization and to deliver value to customers. We do this primarily by offering exciting work assignments and individual development for our employees.

At least three times a year, all our employees have talks with their immediate manager to review their performance and discuss their development. Alongside personal performance targets, Nordnet's values summarize our conduct objectives and are at the core of all assessment and feedback.

We also work continuously with leadership development through our Group-wide leadership forum LEAD, where the focus is on generating consensus, energy and joint commitment to strategies and leadership. The forum develops our leaders and increases integration between different offices and different teams. We also offer needs-specific training for Nordnet leaders in areas such as the work environment and collective bargaining.

Attractive workplace.

Nordnet is dependent on attracting, developing and retaining talent to achieve our goals as an organization.

As a digital platform for savings and investments, we have a specific need for personnel in sought-after areas of expertise such as tech and product development. We therefore work actively to provide an attractive workplace and build a strong culture through engaging employee communications, health-promoting activities and forums for creative tech development, such as hackathons. We conduct quarterly employee surveys to generate feedback, to determine areas for improvement and to measure employee satisfaction (eNPS).

In our recruitment processes, we strive to employ a mix of both junior and senior candidates. Our workforce has a relatively low average age of 36.5 years and many of our employees are at the beginning of their careers. Nordnet offers talented young people opportunities to develop and grow, making our employees sought after. Many choose to evolve into new roles within the company and others move on to new challenges outside Nordnet. Our HR function holds departure interviews with employees who leave Nordnet, with the results being used to make us an even more attractive employer. Including substitute personnel and hourly employees, the Group's personnel turnover was 25 percent (17) in 2021. We measure personnel turnover by calculating the number of departures divided by the average number of employees during the period.

Staff turnover	2021		2020		2019	
	Employees (no)	Women (%)	Employees (no)	Women (%)	Employees (no)	Women (%)
New hires						
Under 30 years	169	41%	163	42%	105	33%
30 - 50 years	95	37%	73	26%	75	32%
Over 50 years	13	54%	4	50%	20	60%
New hires during the year	277	40%	240	38%	200	36%
Rate of new employee hires	35%		34%		33%	
Departures						
Under 30 years	114	46%	65	31%	99	32%
30 - 50 years	81	36%	46	37%	93	42%
Over 50 years	6	67%	8	63%	14	50%
Departures during the year	201	42%	119	35%	206	38%
Rate of employee turnover	25%		17%		34%	

The table shows total personnel turnover, including substitutes and hourly employees. Nordnet has a naturally high personnel turnover among hourly employees, who are often younger people.



"An important part of our sustainability work is also about having a healthy work environment for our employees."

A healthy workplace during a pandemic.

For our employees, 2021 demanded continued patience and perseverance. Ensuring a healthy work environment for our employees has never been more important than it was during the pandemic. Most of our employees have worked from home since the pandemic broke out in early 2020, placing considerable demands on physical and mental health, as well as on ergonomics. To follow up on how our employees are doing, we added further employee surveys during the year. According to these measurements, most of our employees found teleworking satisfactory. The foremost challenges identified given the current model of working involve creativity and daily networking. In the future, we will take advantage of what our employees considered favourable during the pandemic and adopt a flexible work model enabling a combination of working from home and from the office.

Physical health and ergonomics.

Even before the pandemic, we worked actively with various health-promoting activities to maintain a

healthy workplace and reduce sick leave among our employees. During the pandemic, we adjusted and arranged activities, such as group fitness sessions, online and outdoors in various formats.

To ensure good ergonomics when working from home, our employees could order height-adjustable desks, desk chairs and additional monitors. We continuously share "best practice" ideas on how to set up an optimal workstation in the home environment, as well as suggestions for healthy routines.

Once a year, we distribute a work environment survey in which all employees can express their opinions regarding the workplace anonymously. We also have work environment representatives who coordinate with HR in a work environment Committee. Employees can contact their work environment representative with proposals on improving aspects of the work environment. The Committee meets once a quarter, and its work is ongoing.

Health at Nordnet	2021	2020	2019
Employee sick leave, by country			
Sweden	2.0%	2.5%	3.7%
Norway	1.8%	2.8%	2.7%
Denmark	4.8%	2.3%	5.4%
Finland	1.9%	1.7%	2.2%
Average Nordnet	2.1%	2.5%	3.6%

The table shows our employees' absenteeism due to illness. Since 2020, sick leave in the Group has fallen by a total 0.5 percent, which can be explained by more people working from home than previously. Nordnet offers all employees in Sweden Skandia's "Hälsoslussen" health insurance plan to prevent sick leave and stress. The "Hälsoslussen" (health sluice) insurance plan includes preventive measures such as conversational therapy, physiotherapy and occupational therapy, ergonomics, professional life planning and access to specialist doctors. Employees who want to may use "Hälsoslussen" anonymously. Similar health insurance plans are available to employees in Norway, Denmark and Finland.

Nordnet Unite brings together our employees across the Nordic region.

Nordnet introduced the concept "Nordnet Unite" in the autumn of 2020, with the aim of strengthening contacts



between employees and promoting a healthy lifestyle when many were working from home. The name "unite" aims to strengthen the Nordnet spirit, to foster collaboration between departments and countries, and motivate one another. In 2021, mixed indoor and outdoor activities

have been carried out, such as forest hiking, golf and e-sports.

Better through diversity and gender equality.

At Nordnet, all employees shall have the same opportunities, rights and obligations. We continue to work in a goal-oriented, deliberate manner with diversity and

gender equality, and our overarching target scenario is a 50/50 distribution between women and men, albeit with a tolerance of +/- 10 percent in either direction. We review the wage differences from a gender equality perspective at every salary review and place specific emphasis on equal salaries for equal work.

Since our corporate language is English, most of those we recruit are not required to master any of the Nordic languages, which increases our potential to find appropriate candidates. When recruiting for certain local positions, such as customer service, a knowledge of the local language is required. We strive to have a larger proportion of the under-represented gender in the various stages of the recruitment process – ranging from the first selection to the final candidates. Our procedures help us avoid unconscious decisions linked to both gender and cultural background. We continue to believe that an increased proportion of women in recruiting positions promotes long-term improvement in gender equality.

Collective bargaining agreements	2021	2020	2019
Employees covered by collective bargaining agreements (%)			
Share of employees with collective bargaining agreement	93%	88%	86%

All employees in Finland and Sweden are covered by collective bargaining agreements, including employment categories such as temporary employees and substitutes. Nordnet has in 2021 signed a collective agreement for all employees in Denmark.

Ratio of basic salary of women to men at Nordnet	2021	2020	2019
Women's salaries as a percentage of men's			
Management (excluding the CEO)	97%	105%	111%
All employees (excluding management)	94%	87%	88%

The table shows women's average salary as a percentage of the average wage of men in different personnel categories as at 31 December 2021. The calculation includes severance pay. We actively apply our gender equality plan and Gender Equality Policy to reduce differences.



Nordnet's Gender Equality Policy clearly states that all employees have the right to be treated with respect and that everyone's integrity and right to privacy are protected. Unwelcome advances of a sexual nature, discrimination and other forms of harassment are prohibited in the workplace. No cases of discrimination were reported to HR in 2021.

The circle diagram shows the gender distribution and age distribution at Nordnet. On 31 December 2021, 64 percent (64) of the employees were men and 36 percent (36) were women. The gender distribution varies between different employee categories. Administrative functions have a higher proportion of women, while the proportion of men is higher among, for example, IT personnel. Most of the employees, 52 percent (52), were in the 30–50 age range.

The proportion of women in management positions at Nordnet is steadily increasing. As of 31 December

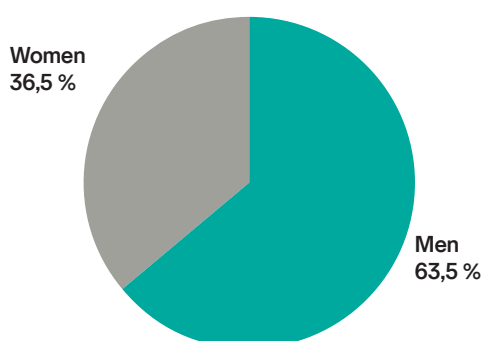
2021, 41 percent of our managers with responsibility for employees were women, compared with 38 percent in 2020 and 34 percent in 2019.

The proportion of women in Group Management was 30 percent (30). As of 31 December 2021, Nordnet's Group Management comprised seven men and three women, while the Board of Directors comprised five men and three women. The proportion of women among newly recruited employees increased by 3 percentage points compared with 2020.

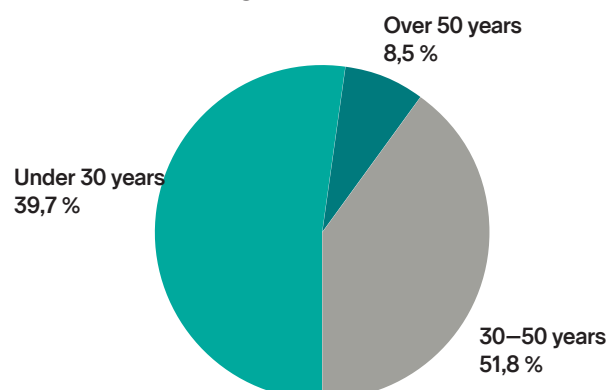


For us, it is important to create a workplace characterized by both gender equality and diversity. We actively work to recruit more women for all decision-making levels, in line with the UN sustainable development goal 5 *Gender equality*.

Gender distribution



Age distribution



Environment and climate.

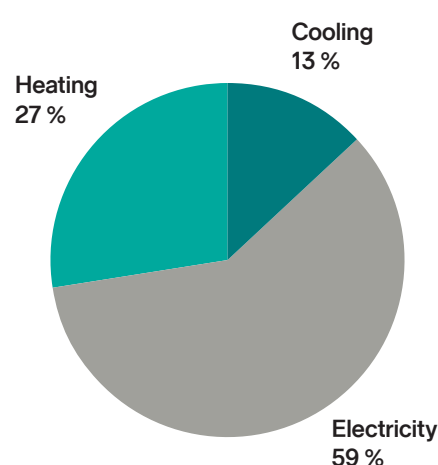
Nordnet's business model is digital. With a scalable digital platform, more automated and digital customer journeys and processes, as well as the lack of physical bank branches, we are able to limit our direct impact on the environment. We compensate for our greenhouse gas emissions and are climate positive in the sense that we compensate for more emissions than we produce. Nordnet also has the opportunity to influence the climate and environment indirectly through the investments made on our platform and the products we offer our customers. By making it easier for our customers to choose sustainable investment options, we can increase the flow of capital contributing to sustainable development.

To reduce our direct impact on the environment and climate, we strive to run our office premises on 100-percent renewable energy and to recycle waste. Our business model does not require physical banking offices, and contact with our customers is mainly online and by telephone. This means that we are fundamentally resource-efficient and that our environmental impact is relatively small. We therefore assess the environmental risks as limited. For this reason, we have no formal processes for environmental management but, in this respect, adhere to the guidelines set out in our Sustainability Policy.

Nordnet's direct climate impact.

Our ambition is to have as little impact on the environment as possible. Every year, we measure and climate compensate for our greenhouse gas emissions, including those from its employees' commuting. Our policy is to compensate for more than the Group's emissions, 110 percent, meaning that we have a positive impact on the climate in relation to our direct emissions. This is offset by planting trees in collaboration with small-scale farmers in Bolivia. The project, called ArBolivia, is certified in accordance with Plan Vivo. In addition to climate benefits, the project adds valuable social and ecological value.

Energy consumption by energy type



Through our digital business model, choice of renewable energy agreements and the effort to minimize office waste, we are able to reduce our ecological footprint. This can contribute to UN global goal 12 *Sustainable consumption and production*.

Nordnet's energy consumption	2021	2020	2019 ¹
Indirect energy consumption, MWh			
Electricity, whereof 57% renewable energy	1,173	1,187	1,246
District heating, whereof 87% renewable energy	536	530	672
District cooling, whereof 100% renewable energy	266	234	279
Total	1,976	1,951	2,197

The table shows the energy consumption for heating and cooling premises and operating equipment.

¹ Energy consumption for 2019 has been adjusted because electricity consumption at the head office in Stockholm was incorrectly calculated for these years.

**“Nordnet's business is
climate positive —
we offset for more emissions
than we produce”.**



Each year, we report our greenhouse gas emissions in accordance with the Greenhouse Gas Protocol, the most common international framework for voluntary reporting of greenhouse gas emissions. In 2021, our total greenhouse gas emissions amounted to 122 tonnes (153) CO₂e, which is a decrease of 20 percent (37) compared with 2020. The reduction in 2021 is partly due to our having switched to renewable electricity at our offices in Helsinki, and partly because the energy mix for district heating has a larger share of renewable sources. Emissions from our employees' commuting to and from work decreased by 7 percent (33). Emissions from business travel decreased by 30 percent (74) in 2021. Emissions of greenhouse gases on our platform were 1.7 g CO₂ per trade (2.6), meaning a decrease of 35 percent (70) on the preceding year. In 2020, emissions also decreased because of the realignment in the working model, with most of Nordnet's employees working from home because of the coronavirus pandemic, resulting in a drastic reduction in business travel and commuting to and from the office.

Energy efficient banking services.

Nordnet's largest direct climate impact derives from energy consumption at our offices. In 2021, we consumed approximately 1,976 MWh (1,951) for the operation of our IT infrastructure and for our consumption

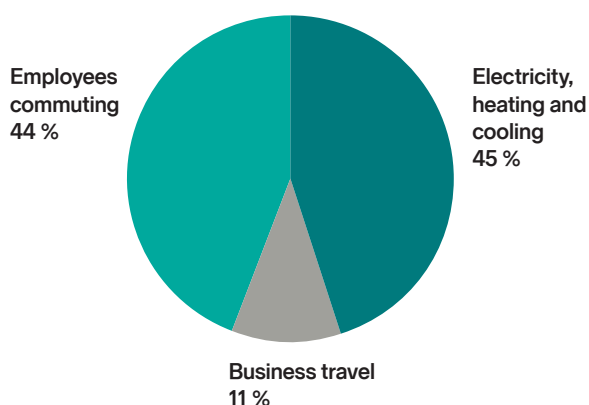
of electricity, heating and cooling at our offices. That's about as much as 99 (78) average single-family homes in Sweden consume over a year. The increase is mainly due to the average energy consumption of a normal villa having fallen from 25 MWh/year to 20 MWh/year. Nordnet's energy intensity amounted to 0.03 (0.03) kWh per exchange trade, which is at the same level as in the preceding year.

Our products.

In addition to our efforts in sustainable savings (read more on pages 22–23), in 2021, we also launched green residential mortgages through a partnership with Stabelo. A green mortgage gives customers who own energy-efficient homes the opportunity to receive an extra discount on the interest rate.

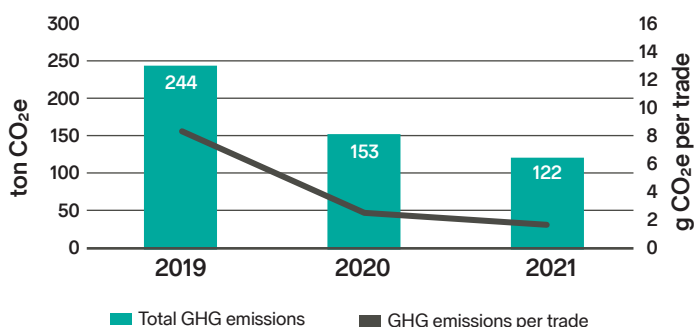
In 2021, we implemented the possibility of "dark mode" on both the web and the app. This allows users to switch the display mode to a dark background with bright characters, icons and graphic elements. Besides many customers finding this appealing from the perspective of the user, dark mode is significantly more energy efficient than the traditional display mode with a light background. According to our estimates, energy consumption decreases by about 80 percent when us-

Greenhouse gas emissions by activity.



Half of Nordnet's greenhouse gas emissions derive from the consumption of electricity, heating and cooling at our offices, so-called Scope 2 emissions, while the remainder are Scope 3, which includes business trips and employees' commuting.

Greenhouse gas emissions.



The bars represent Nordnet's total greenhouse gas emissions and the black line represents greenhouse gas emissions per trade. Scope 3 emissions for 2019 have been adjusted due to an incorrect emission factor.

ing dark mode. About 50 percent of our app users have already chosen to change to dark mode.

New sustainability regulations.

Taxonomy regulation

The EU taxonomy regulation includes rules as to how economic activities are defined as sustainable. Although the regulation has taken effect, transitional rules require less data to be reported now than will be required in the longer term. While the transitional rules apply, only a summary of the proportion of Nordnet's economic activities covered by the EU taxonomy shall be reported, although this need not be reported if the activities meet the established requirements for being defined as sustainable. Data is only reported for two of the EU's six environmental goals – restrictions on climate change and adaptation to climate change.

Nordnet's reporting refers to the consolidated situation. The consolidated situation does not include Nordnet Pensionsförsäkring AB or Nordnet Livsförsäkring A/S. The regulations look different depending on the type of organization required to report. For its balance sheet exposures, Nordnet reports as a financial institution.

In the table below, the proportion of assets covered by the taxonomy comprises residential mortgages only. As of 31 December 2021, the exposure to activities covered by the taxonomy corresponded to 12 percent. In the table, exposures not covered by the taxonomy amount to 19 percent and comprise other types of loans to households. Nordnet's lending to companies comprises margin lending and none of those customers had more than 500 employees as of 31 December 2021. Accordingly, in the table below, Nordnet's lending

to companies is classified as exposures not covered by the "NFRD"¹ and amounts to 22 percent.

Background to calculations and further information on the taxonomy

The balance sheet exposures forming the basis for Nordnet's report regarding which assets are covered by the taxonomy consist, for the most part, of Nordnet's lending and holdings in interest-bearing securities. Only Nordnet's residential mortgages are deemed to be covered by the taxonomy, while other households loans are not deemed to be covered.

With regard to exposures to companies, the analysis is made in two steps. An initial analysis determines whether the company is an "NFRD company" (Non-Financial Reporting Directive). If this is the case, an examination is conducted to determine if the company is covered by the taxonomy. Data on the number of employees at the companies, as well as information on whether they are listed on a European stock exchange, have been used to determine if the company needs to report in accordance with NFRD. It has not been possible to determine the extent to which the activities of NFRD companies are covered by the taxonomy as reported data have not been available. Accordingly, companies required to report in accordance with the NFRD have been excluded from the reporting.

However, it has been possible to estimate the extent to which exposures to NFRD companies within Nordnet's lending and holdings in interest-bearing securities are or are not covered by the taxonomy. However, these estimates have not been used in taxonomy reporting this year, but only in preparation for future reporting.

Assets	Share of total assets
Exposures to economic activities covered by the taxonomy	12%
Exposures to economic activities not covered by the taxonomy	19%
Exposures to states, central banks and supranational issuers	16%
Derivatives	0%
Exposures to companies not covered by NFRD ¹	22%
Trading portfolio	0%
Interbank loans on demand	0%

¹NFRD = The EU's directive on non-financial reporting, which includes sustainability reporting requirements for certain large companies with more than 500 employees

Nordnet's business model means that we do not have any significant lending to companies covered by the taxonomy.

We also have a limited opportunity to influence how our customers are exposed, in their savings, to companies that are sustainable according to the taxonomy, as our customers make their own investment decisions. On the other hand, we have opportunities to provide information and inspiration regarding various sustainable investment options. In 2021, as mentioned in the Sustainable mutual funds section, we made it possible, in an initial step, for our customers to determine if a mutual fund is categorized as Article 8 or 9.

Disclosure regulation

The disclosure regulation determines how financial actors must inform their customers and investors regarding ESG factors. In 2021, Nordnet reviewed its policies and published information regarding its Remuneration Policy, the negative sustainability consequences of investment decisions, and information regarding how we integrate sustainability risks into investment decisions and investment advice on our website.



Nordnet AB (publ)

Annual Report.

Board of Directors' report.

Introduction.

The Board and Chief Executive Officer of Nordnet AB (publ), company registration number 559073-6681, headquartered in Stockholm, hereby submit the Annual Report and principles of consolidation for the 2021 financial year. The Annual Report was approved for issue by the Board of Directors on 17 March 2022. The income statements and balance sheets will be subject to ratification at the Annual General Meeting planned for 28 April 2022.

Ownership.

At the end of 2021, Nordnet had a total of 27,010 (26,799) known shareholders. The largest shareholder was Öhman Intressenter with 21.6 percent of the votes and capital, followed by Premiefinans with 10.1 percent and Fidelity Investments with 4.9 percent. Known foreign shareholders accounted for a total 28.0 percent of votes and capital. At the end of the year, known Swedish and foreign institutional organizations held 41.6 percent and Swedish private individuals 17.6 percent of the shares. Anonymous ownership at the time amounted to 7.3 percent of shares and votes. On 17 December 2021, Nordnet Bank AB acquired 100 percent of the shares in Nordnet Pensionsförsäkring AB from Nordnet AB (Publ) at book value. This internal transaction was mainly conducted to facilitate corporate governance. The restructuring marginally affects the total capital ratio.

The Share.

Nordnet AB (publ) has been listed on the Nasdaq Stockholm Large Cap list under the ticker SAVE since 25 November 2020. There is only one class of shares and the share capital amounts to SEK 1,250 thousand divided into 250 million shares with a quota value of SEK 0.005 each. The Annual General Meeting held on 29 April 2021 authorized the Board of Directors to decide to acquire shares such that, at any time after the acquisition, the company holds at most 10 percent of all shares in Nordnet. No shares were repurchased during 2021 and no treasury shares were held as of 31 December 2021.

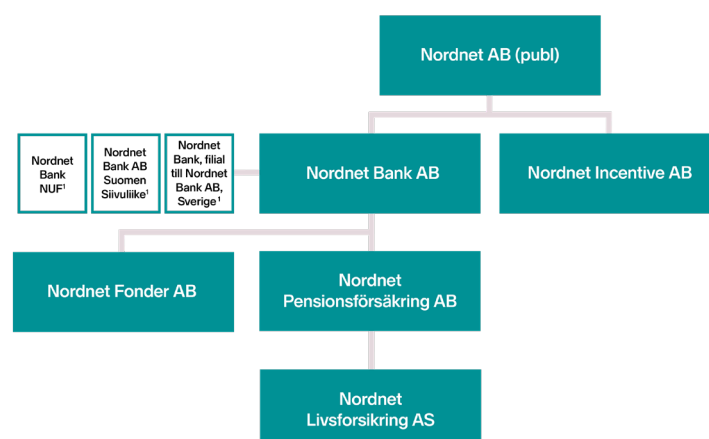
Nordnet's share price at the end of 2020 was SEK 129.10. On 31 December 2021, the price was SEK 173.60, a 34-percent increase in the share price over the year. The turnover rate of Nordnet's shares on the primary market Nasdaq Stockholm during 2021 amounted to 61.4 percent, meaning that 153,621,597 shares out of a total of 250,000,000 outstanding shares were traded over the year. The turnover rate including all marketplaces amounts to 122.8 percent.

Operations.

Nordnet is a Nordic digital platform for savings and investments. Operations are conducted via the subsidiary Nordnet Bank AB, as well as the subsidiaries Nordnet Pensionsförsäkring AB and Nordnet Livförsäkring AS.

Group Overview.

The illustration below shows the Nordnet Group chart as at 31 December 2021.



¹Branch of Nordnet Bank

Nordnet Bank AB, offers a broad range of services for savings and investments, margin lending with securities as collateral, residential mortgages with Swedish homes as collateral, and personal loans. In addition, a large number of information services and digital tools are offered for smarter savings. In Norway, Denmark and Finland, bank operations are conducted via branch offices. Through the subsidiary Konsumentkredit in Sweden, personal loans are provided to private individuals in the Swedish market.

Nordnet Pensionsförsäkring AB conducts life insurance operations focused on pension savings. The Norwegian pension operations are conducted through Nordnet Livsforsikring AS, a subsidiary of Nordnet Pensionsförsäkring AB. The operations of Nordnet Fonder AB are expected to commence in the spring of 2022.

Significant events during the year.

- Overall we achieved profit before tax of SEK 2.45 billion for 2021 – our best full-year profit to date and slightly more than 50 percent higher than in 2020. We also gained 380,000 new customers and now have a total customer base of more than 1.6 million Nordic savers.
- Nordnet's customers had net savings of more than SEK 83 billion and completed 71.6 million transactions, which was also the highest to date for an individual year.
- At the end of November, we made it possible for our Danish customers to open an equity savings account with Nordnet – an account offering more favourable tax terms for securities trading than a traditional share depository, and that was introduced relatively recently in the Danish market. With only slightly more than a month remaining until the end of the year, we opened more than 34,000 equity savings accounts, capturing a market share of about 16 percent.
- At the end of May, we launched one of the Nordic region's first technology-index funds in all of our markets – Nordnet Indexfond Teknologi. The fund tracks the well-established MSCI World Information Technology index, which comprises 185 of the world's largest tech companies.
- Continuous development of our platform over the year to enhance the user experience. Among other things, Nordnet has developed buy and sell markers for shares in price graphs, login using QR codes, improved format for subscription-based services, expanded currency exchange infor-

mation, functions enabling a clearer overview of placed orders, as well as improved functionality in graphs.

- First mutual fund platform in the Nordic region to include information on the EU's new sustainability categories for mutual funds, Articles 8 and 9 or "light green" and "dark green". Nordnet also sustainability-adapted how it manages its four international index funds.
- The Swedish Financial Supervisory Authority decided to conduct an investigation against Nordnet regarding internal governance and control in relation to the Short Selling Regulation. See more detailed information on pages 51.

First quarter.

- Record-strong inflow of new savers, 39 percent annual customer growth.
- High net savings and new record for savings capital of SEK 648 billion.
- Highest number of transactions for a single quarter and great interest in foreign trading.
- Successful launch of new Norwegian pensions account, EPK.
- Implementation of digital processes for taking out, and transferring, occupational pension in Sweden.
- Record-strong financial result – SEK 830 million in operating profit.

Second quarter.

- Continued high level of customer growth, with the customer base increasing by 38 percent in one year.
- Savings capital reaches new record levels, exceeding SEK 700 billion, and a continued high level of net savings.
- Stable growth in lending, loan volume at new record high.
- Strong development in mutual fund operations – fund capital increases by 65 percent in a single year, launch of tech fund and ESG classification of index funds.

Third quarter.

- Nordnet turned 25 – from Swedish online broker to the Nordic region's leading platform for savings and investments.

- Slightly more than 60,000 new customers in the third quarter, 37 percent annual customer growth.
- New record levels for savings capital and lending.
- Increased income and stable expenses provide an increase in profit of more than 40 percent.
- Nordnet first mutual fund platform in the Nordic region to include information on the EU's new categorization of sustainable funds.
- Application submitted to the Swedish Financial Supervisory Authority to launch a fund company.
- Nordnet receives the international Red Dot Award in the Financial Apps category.

Fourth quarter.

- 1.6 million Nordic private savers have now chosen

Nordnet, with 63,800 new customers in the fourth-quarter.

- Savings capital at new record level, exceeds SEK 800 billion.
- Several new features launched in web and app, including dark mode and improved graphs.
- Successful launch of Danish equity savings account.
- Two awards during the quarter – “Årets Uppror” from business magazine Privata Affärer for the struggle for fair terms on ISKs, and “Broker of the Year” in Denmark.
- Second-highest quarterly profit to date at SEK 578 million. Profit for the year is 56 percent higher than for 2020 and the best in Nordnet's history.

Group	2021	2020	2019	2018	2017
Income statements, SEK thousands					
Net commission income	2,729,602	2,020,677	939,876	870,187	803,105
Net interest income	717,139	603,556	497,733	377,563	386,269
Net result of financial transactions ¹	17,974	-14,224	66,095	3,748	-241
Other income	163,731	68,723	69,655	58,916	54,903
Total operating income	3,628,446	2,678,732	1,573,359	1,310,414	1,244,036
Operating expenses	-1,140,936	-1,193,419	-1,162,296	-1,133,239	-1,008,528
Credit losses	-36,342	-38,703	-33,645	-36,002	-35,301
Operating result	2,451,168	1,446,610	377,418	141,173	200,207
Tax	-466,518	-273,877	-37,924	-23,121	-32,874
Income for the year	1,984,650	1,172,733	339,494	118,052	167,333
Balance sheets, SEK thousands					
Interest-bearing securities	44,680,996	32,615,999	23,599,547	20,036,326	17,852,202
Lending to credit institutions	644,775	603,553	505,193	333,024	275,591
Loans to the general public	26,326,156	20,311,856	16,127,777	14,204,488	11,852,046
Assests for which customers bear the investment risk	152,165,467	102,691,267	70,089,225	51,726,480	46,515,739
Other assests	8,726,765	11,770,376	5,281,581	5,819,098	3,844,984
Total assets	232,544,159	167,993,051	115,603,323	92,119,416	80,340,562
Deposits and borrowing from the general public	64,286,693	52,552,788	38,572,145	35,225,181	29,063,690
Liabilities for which customers bear the investment risk	152,168,288	102,693,283	70,091,081	51,726,480	46,515,739
Other liabilities	10,099,077	8,535,251	3,882,315	3,179,516	2,736,480
Total liabilities	226,554,058	163,781,322	112,545,541	90,131,177	78,315,909
Total equity	5,990,101	4,211,729	3,057,782	1,988,239	2,024,653
Total equity and liabilities	232,544,159	167,993,051	115,603,323	92,119,416	80,340,562

Profits and financial review, Group.

Operating income amounted to SEK 3,628.4 million (2,678.7), which was 35 percent higher than in the corresponding period in 2020. Net commission income increased by SEK 708.9 million to SEK 2,729.6 million (2,020.7). Transaction-related income increased by 33 percent compared with January-December 2020, mainly due to a greater number of customers and transactions, and the proportion of transactions outside the customer's home market increased from 24 percent to 31 percent. Net commission income was also improved by increased mutual fund savings, which were 54 percent higher than in the corresponding period in 2020 as a result of a greater number of customers, high net savings and strong value growth. Net interest income increased by SEK 113.6 million to SEK 717.1 million (603.6). Growth in the loan portfolio and higher income from the stock lending program contributed positively to higher net interest income, although the overall increase was dampened somewhat by lower returns on excess liquidity due to lower market interest rates. Other income increased by SEK 95.0 million to SEK 163.7 million (68.7). The increase was mainly attributable to IPO-related income.

Adjusted operating expenses amounted to SEK 1,140.9 million (1,064.1). The increase was mainly attributable to a greater number of employees in Tech and Product but also to a greater number of employees in customer service and back office due to the strong influx of customers. Nordnet also increased its efforts in marketing compared with the corresponding period in 2020. No items affecting comparability were charged against profit during the period. In the same period in the preceding year, items affecting comparability amounted to SEK 129.3 million, of which SEK 109 million pertained to expenses for Nordnet's IPO. Operating expenses amounted to SEK 1,140.9 million (1,193.4), which was SEK 52.5 million lower than in the corresponding period in 2020.

Credit losses remained low and credit quality remained good. Credit losses were largely unchanged at SEK 36.3 million (38.7).

Adjusted operating profit rose by 56 percent to SEK 2,451.2 million (1,575.9), giving an adjusted profit margin of 68 percent (59). Adjusted operating profit rose

by 69 percent to SEK 2,451.2 million (1,446.6), with a profit margin of 68 percent (54).

Between 2020 and 2021, the markets outside Sweden increased their overall share of operating profit from 59 percent to 66 percent. All four markets now contribute 20–34 percent of profit each, which is positive from the perspective of diversification and profitability. Profit after tax for the year rose by 69 percent to SEK 1,984.7 million (1,172.7), resulting in a profit margin of 55 percent (44). Tax on profit for the year amounted to SEK 466.5 million (273.9), giving tax of 19.0 percent (18.9) of operating profit.

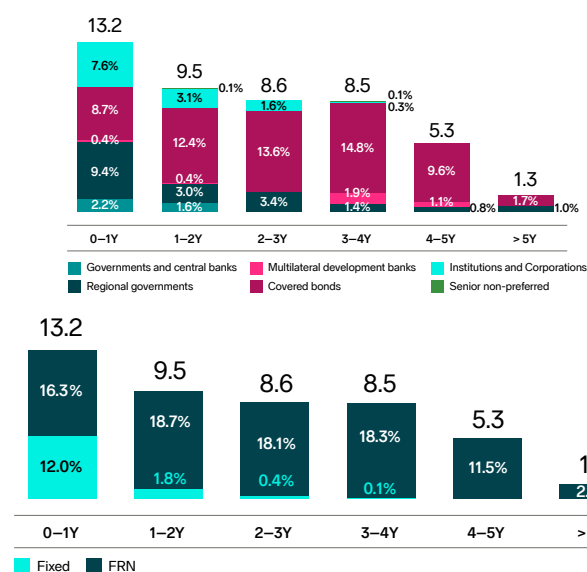
Financial position.

The Nordnet Group's liquidity and capital situation is strong. Liquid assets amounted to SEK 53.2 billion (44.1). Equity amounted to SEK 6.0 billion (4.2) and the capital base that is to cover the capital requirement in the consolidated situation amounted to SEK 3.8 billion (3.0). In addition to the profit for the year, the change in equity was mostly explained by an issue of SEK 600 million in Tier 1 capital (AT1) and a dividend to shareholders during the year totalling SEK 820 million.

Total assets amounted to SEK 232.5 billion (168.0), an increase of 38.4 percent. The pension company's customers assets increased by SEK 49.5 billion and lending increased by SEK 6.0 billion. Other assets were SEK 4.3 billion lower than at the end of 2020 as a consequence of significantly increased transaction activity at the end of 2020. Liquid assets increased by 20.6 percent during the period, while lending increased by 29.6 percent. The increase in liquid assets is primarily a function of increased deposits. Most of the increased lending can be attributed to margin lending and residential mortgages, while personal loans remained at a stable level during the period.

Slightly more than a third of deposits are used to finance lending, the remaining deposits are invested in interest-bearing securities of high credit quality and high liquidity, with a currency distribution corresponding to the deposits financing the securities. The principal investment guideline is that securities in Nordnet's liquidity portfolio are held to maturity. Shown below is the maturity structure of the Group's investments of cash and cash equivalents in bonds and certificates, by credit type and interest terms.

Maturity structure (SEK billion), 31 December 2021



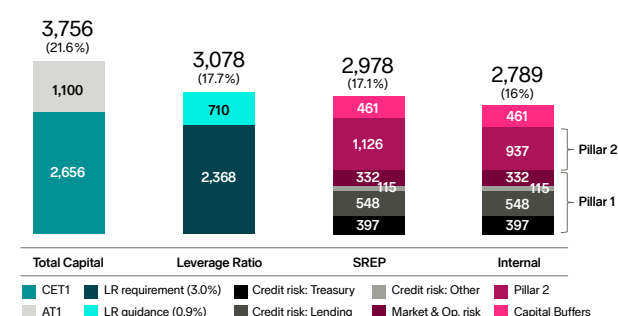
Nordnet has a strong and stable capital structure, which, combined with low risk in lending and investments, provides a favourable capital situation. Since the business model entails low credit risk in the company's exposures, Nordnet has the conditions to maintain a Dividend Policy of 70 percent of profit for the year. In relation to the profit for 2021, this entails a proposed dividend of SEK 5.56/share.

The regulatory capital requirement comprises two parts: a risk-weighted part (capital adequacy) and a non-risk-weighted part (leverage ratio). The consolidated situation's risk-weighted capital ratio amounted to 21.6 percent (21.8), compared with a total risk-weighted capital requirement of 17.1 percent (17.6), and the leverage ratio amounted to 4.8 percent (4.0).

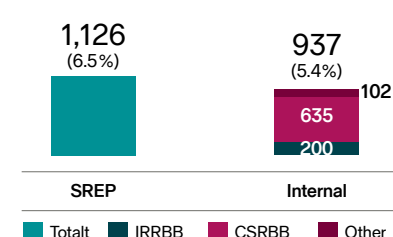
The risk-weighted capital requirement can be divided into three parts: Pillar 1, Pillar 2 and the combined buffer requirements. The Pillar 1 requirement largely comprises credit risk and operational risk, for which Nordnet applies the standard methods. The Pillar 2 requirement is largely attributable to credit spread and interest rate risk in the bank book, which is largely a function of the interest rate and maturity structure in investments of excess liquidity in securities. For Nordnet's consolidated situation, the Swedish Financial Supervisory Authority has imposed a capital requirement of 6.47 percent as a minimum for risks within Pillar 2. Nordnet also monitors credit spread risk and interest rate risk based on internal models. Both the regulatory requirements and the internally calculated needs are illustrated below. For Nordnet, the combined buffer

requirement comprises a capital conservation buffer and a counter-cyclical capital buffer.

Capital requirements SEK million (RWE%)



Pillar 2 requirement, SEK million (RWE%)



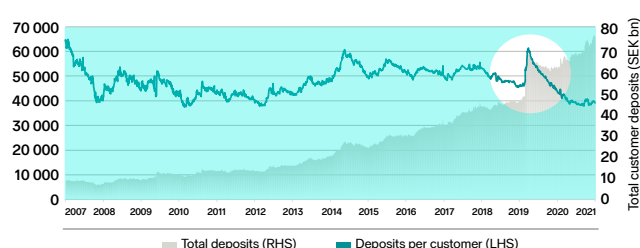
Nordnet's leverage ratio was 4.8 percent (4.0). The minimum requirement for the leverage ratio is 3.0 percent, with additional Pillar 2 guidance of 0.9 percent, which means that Nordnet is recommended to maintain a leverage ratio in excess of 3.9 percent. The guidance does not constitute a requirement and violating it does not automatically mean that Swedish Financial Supervisory Authority will take measures.

For Nordnet, the leverage ratio is driven indirectly by deposits. With a leverage ratio of 4.8 percent as of 31 December, deposits can increase by SEK 46.3 billion or 68 percent without the leverage ratio falling below the minimum requirement of 3.0 percent, and by SEK 17.4 billion or 26 percent to not fall below the Swedish Financial Supervisory Authority's guidance of a total of 3.9 percent for the leverage ratio.

Deposits are stable and track customers' savings capital. Historically, deposits increased sharply over a short period on a single occasion in the first quarter of 2020 when deposits increased by slightly more than SEK 20 billion or almost 50 percent, see graph below. Should deposits increase more sharply and rapidly, Nordnet has, as of 31 December 2021, contingency measures in place beyond its existing scope, to handle additional deposits of SEK 44.1 billion. Overall, this provides contingencies in relation to the regulatory requirements to

handle additional deposits of SEK 90.4 billion to meet the requirement of 3.0 percent, corresponding to an increase of approximately 133 percent.

Conglomerate | Deposits December 2007 - December 2021²



Profits and financial review, Parent Company.

Nordnet AB (publ) is a holding company and conducts no operations beyond its role as the owner of Nordnet Bank AB and Nordnet Incentive AB. Operating income for January–December 2021 amounted to SEK 17.5 million (21.6) and pertains to Group-internal administrative services.

The profit from financial investments increased by SEK 10.9 million to SEK 305.0 million (294.1).

The Parent Company received a dividend of SEK 300.0 million (200.0) and a Group contribution of SEK 6 million (96) from the subsidiaries over the year. The Parent Company's profit after financial items for the year 2021 amounted to SEK 300.7 million (209.0). The Parent Company's cash and cash equivalents amounted to SEK 16.8 million (112.2), and shareholders' equity to SEK 2,425.2 million (2,370.0).

Future prospects.

Nordnet has an efficient and scalable operations model, and holds a strong position in all of the markets in which we operate. We use a shared technology and administration platform to provide a Nordic offer in the area of savings and investments. Our customer base is growing rapidly and, in the markets outside Sweden in particular, we have reached a critical mass of customers, where the large number of savers having chosen Nordnet, combined with a high propensity to recommend us, has become an engine for continued growth.

The Nordic region is a well-developed market for savings where holding shares and mutual funds is widespread among private individuals, and is also increasing in the long term. A number of underlying macro trends and structural drivers are expected to continue sup-

porting market growth. Growth is driven by expected increases in household income in line with the GDP forecast, a stable level of savings and a future market trend in line with the historical average return. All four Nordic countries in which Nordnet operates are open and stable economies with high per-capita GDP. The Nordic region has a long tradition of financial restraint and still maintains a relatively low debt ratio compared with other European countries.

One reason contributing strongly to the market growth is the ongoing restructuring of the pension system, whereby the individual is expected to assume greater responsibility for his/her pension. Within the EU, there is a clear trend whereby pension systems are shifting from defined-benefit pension plans to defined-contribution pension plans. The Nordic countries are at different phases of this transition. In Sweden, the shift has largely already taken place, while the shift is currently underway in Norway with the new EPK regulation. The introduction of rules regarding a more efficient right of transfer in the Swedish market, which is now being introduced step by step, is working in a favourable direction for Nordnet and savers alike. Over the year, major steps were taken towards more consumer-oriented and customer-friendly legislation in the area, including the introduction of a maximum fee of SEK 600 when transferring individual pensions – a development in which Nordnet has been instrumental. In the summer of 2022, a law is expected to come into effect entitling consumers to transfer pension savings initiated before 2007. Nordnet is currently pursuing the issue of introducing a digital pensions portal, where consumers would have the opportunity to see all of their individual occupational pensions and to also be able to transfer them between different players. A corresponding model exists in Norway in the form of the pension account register.

Development is also underway in free savings, driven by the insight that individuals must be afforded opportunities to take greater responsibility for their financial futures. In Denmark, we at Nordnet are on the barricades for more straightforward legislation regarding taxation of savings in shares and mutual funds, and for the conditions regarding deposits to equity savings accounts to be more favourable for savers. A development in this direction would further strengthen the equity culture in Denmark and would also therefore have a positive impact on Nordnet's business. In Sweden, we fought against poorer terms for the popular investment

savings account over the year, with the government announcing in December that no proposals for poorer terms are being considered.

The long-term consumer trends also favour our business model. Increasingly, private savers are choosing digital offerings at the expense of players such as the high street banks and traditional pension companies. Digital technologies combined with social media enable rapid sharing of consumers' experiences and reviews, and comparisons of offers and prices can easily be made. Increasing awareness among savers often leads them to choose banks such as Nordnet with its transparent, affordable offering within a defined area. We believe the key lies in creating products that offer a high level of customer value and ensuring a world-class user experience. Our business model is very well suited to the savers' best interests and builds on the foundation of what is good for our customers is also good for Nordnet.

Employees.

The average number of full-time positions for the period was 654 (561). The change in the labour force pertain in part to an increased number of employees in customer service and back-office as a result of Nordnet's strong customer growth, as well as an increase in the number of developers, motivated by the ambition to build the world's best platform for savings and investments. At the end of the year, the number of full-time positions was 648 (571), broken down between 538 (475) in Sweden, 33 (32) in Norway, 42 (31) in Denmark och 35 (33) in Finland.

Nordnet strives for balanced gender distribution. At the end of 2021, the proportion of women in the Group was 36 percent, and the proportion of women in management was 41 percent. The proportion of women in Group Management is currently 30 percent.

Employees' commitment and satisfaction with Nordnet as their employer is measured continuously. We use net promoter score (eNPS) to measure our overall attractiveness as an employer. The Sustainability Report contains additional information about employees on pages 29–33. See also Note 13 for more information.

Guidelines for remuneration of senior executives.

The following guidelines for the remuneration of senior executives were adopted at the Annual General Meeting on 29 April 2021.

The guidelines are also to encompass Nordnet's Board Members, to the extent that they receive any remuneration beyond the Board fees they receive. The guidelines shall be applied to remunerations agreed following the adoption of the guidelines by the Annual General Meeting on 29 April 2021, as well as to changes made to remunerations agreed previously. The guidelines do not cover remunerations approved by the Annual General Meeting.

How the guidelines foster Nordnet's business strategy, long-term interests and sustainability.

Put briefly, Nordnet's business strategy entails Nordnet democratizing savings and investments, which is Nordnet's core operation. This means that Nordnet gives private savers access to the same information and tools as professional investors by, for example, offering easily accessible and inexpensive online share trading. Nordnet's vision is to be the first choice for Nordic savers. For more information about Nordnet's business strategy, see www.nordnetab.com.

A prerequisite for Nordnet to be able to realize its business strategy and safeguard the Group's long-term interests, including sustainability, is that Nordnet is able to attract, motivate and retain senior executives in competition with comparable Nordic companies, primarily Nordic banks and credit market companies. These guidelines must therefore make it possible for senior executives to be offered overall remunerations that are market-based and competitive. At the same time, Nordnet's remuneration system must be compatible with sound and efficient risk management, fostering this and counteracting excessive risk-taking. The remuneration of senior executives in Nordnet must also be in accordance with Nordnet's business strategy, targets, values and long-term interests; designed to avoid conflicts of interest between employees, Nordnet and Nordnet's customers; based on quantitative business objectives and qualitative criteria reflecting regulatory compliance, appropriate treatment of Nordnet's cus-

tomers and the quality of the services provided. Overall variable remuneration may not limit Nordnet's ability to maintain an adequate capital base and liquidity or to strengthen the capital base if necessary.

The Board of Directors takes the view that a well-balanced fixed remuneration, combined with participation in any share-related incentive programs approved by the Annual General Meeting and opportunities for variable remuneration, provide the conditions that Nordnet needs to be a competitive employer.

Forms of remuneration.

Remuneration of senior executives shall comprise:

- fixed salary,
- possible variable cash remuneration,
- the opportunity to participate in long-term share-based incentive programs approved by the Annual General Meeting,
- pension, and
- any other customary benefits.

Fixed salary

Senior executives' fixed salaries are revised annually and must be competitive and based on the expertise, responsibility and performance of the individual. Fixed remuneration shall also constitute a sufficiently large part of the senior executive's total remuneration that the variable part can be set at zero.

Variable salary

Senior executives' variable cash remuneration shall be based on how well approved targets for their respective areas of responsibility, and for Nordnet as a whole, are met. Both financial and non-financial criteria must be taken into account in the assessment. The outcome shall be linked to measurable targets which, as far as Nordnet is concerned, shall be directly or indirectly linked to the achievement of Nordnet's financial goals. The targets within the relevant executives' specific areas of responsibility aim to promote Nordnet's development, in both the short and long term, and thus promote Nordnet's business strategy and long-term interests, including the Group's sustainability.

Variable remuneration may amount to at most 100 percent of the senior executive's fixed annual salary. If

the variable remuneration for one year exceeds SEK 100,000, at least 60 percent of that remuneration must be deferred for at least three years before being disbursed or before the title of ownership passes to the senior executive.

When Nordnet determines how much of the variable remuneration is to be postponed, and for how long, Nordnet must take into account the Group's business cycle, the risks inherent in the business, the senior executive's responsibilities and tasks and the scale of the variable remuneration. Nordnet may decide to defer variable remuneration for up to five years.

Variable remuneration, even that which has been deferred, shall only be paid or transferred to the senior executive if doing so is justifiable taking into account Nordnet's financial situation, including its capital base and liquidity, and can be considered motivated given Nordnet's results or those of the relevant business unit and senior executive. Variable remuneration may therefore be reduced or dispensed with entirely.

Nordnet or, where applicable, Group companies, are also entitled to claim back, in whole or in part, variable remuneration that has been paid if it can be demonstrated that the senior executive, if his duties have a significant impact on the Group's risk profile, has participated in, or been responsible for, any action resulting in significant losses for Nordnet or Group companies or has not met appropriate standards for suitability and suitability. A prerequisite for the payment of variable remuneration is that the measure is in accordance with Swedish Financial Supervisory Authority's regulations and the EBA's guidelines for sound remuneration policy.

Long-term share-based incentive programs

Long-term share-based incentive programs must be approved by the Annual General Meeting and are therefore not covered by these guidelines.

Pensions and other customary benefits

With the exception of the CEO, pension provisions for all senior executives shall be covered by a single policy. These must be defined-contribution pension commitments and secured through payments of premiums to insurance companies. The scale of the pension premiums is set out in Nordnet's pension plan and must, in

all material respects, correspond to the provision levels applicable in accordance with the BTP 1 plan and subject to the limitations in relation to fixed annual salary following from this. No provisions are made for salary components exceeding 30 income base amounts calculated on an annual basis. For members of Group Management not residing in Sweden, local rules are applied that lead to a pension under equivalent terms. Variable cash compensation shall, in principle, not be pensionable.

Other possible benefits shall be customary and facilitate executives' opportunities to fulfil their duties, such as a company car, company health care and health insurance.

Remuneration in connection with recruitment

Beyond the aforementioned forms of remuneration, remuneration must also, in certain exceptional cases and in accordance with Nordnet's Remuneration Policy, be paid in connection with recruitment to attract certain key individuals to Nordnet as part of Nordnet's business strategy. Such remuneration shall be limited to the first year of employment.

Termination

In the event of termination by Nordnet, the period of notice may not exceed 12 months. In the event of resignation by the executive, the period of notice may not exceed six months. Severance pay shall not occur.

Remuneration Policy for banking and insurance operations

In addition to these guidelines, Nordnet's Board of Directors has, in accordance with Swedish Financial Supervisory Authority's regulations regarding remuneration systems in credit institutions and the EBA's guidelines for sound remuneration policy, adopted a Remuneration Policy covering all employees of Nordnet and Nordnet's regulated subsidiaries. The Remuneration Policy is compatible with and promotes sound and efficient risk management and counteracts excessive risk-taking. Further information about Nordnet's Remuneration Policy is published on Nordnet's website.

Salary and terms of employment for employees

In preparing the Board's proposal for these remunera-

tion guidelines, salaries and terms of employment for the Group's employees have been taken into account. The guidelines do not deviate from the remuneration systems generally applied for other employees within the Group. In other respects too, the remuneration, forms of remuneration and wage trends for senior executives are deemed to be in line with salaries and terms of employment for other Group employees.

Decision-making process

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board's decisions regarding proposed guidelines for remuneration to senior executives. Every four years at least, the Board of Directors shall submit proposals for guidelines for the remuneration of senior executives for adoption by the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting.

The Remuneration Committee shall also monitor and assess variable remuneration programs for Executive Management, the application of guidelines for the remuneration of senior executives and applicable remuneration structures and levels within Nordnet.

Deviations from the guidelines

Where, in an individual case, the Board of Directors finds that there are specific reasons to do so, and to meet Nordnet's long-term interests, including sustainability, or to safeguard Nordnet's financial position, the Board of Directors is entitled to deviate from these guidelines, provided that the deviation is not covered by provisions in the Swedish Financial Supervisory Authority's regulations or in the EBA's guidelines. If the Board deviates from the guidelines, it shall present the reasons for this at the next Annual General Meeting.

Additional information on the remuneration of senior executives is reported in Note 13 and in the Remuneration Report for 2021. The Remuneration Report for 2021 will be published on the Group's website www.nordnetab.com.

Remunerations paid to senior executives and auditors.

Board of Directors

At the Annual General Meeting on 29 April 2021, it was decided that the total remuneration for Board Members for the current year should amount to SEK 3,500,000 (3,500,000). The fees paid to the Chairman of the Board and each Board Member shall be SEK 350,000. In addition, fees for work on the Board's committees were also included in the amount of SEK 25,000 for each committee in which the Board Member participates. A fee of SEK 50,000 is paid to each committee chairman. Fees for work on the Risk and Compliance Committee amount to SEK 150,000 to the chairman and SEK 75,000 for each of the other committee members.

CEO

In 2021, the fixed monthly salary paid to the current CEO, Lars-Åke Norling, amounted to SEK 583,333. The CEO is entitled to monthly pension provisions corresponding to 35 percent of his basic salary.

Auditors

Remuneration totalling SEK 10,821 thousand (17,098) was paid to auditors and audit firms in 2021. The sum pertains to work for auditing, consulting and other review assignments in connection with auditing, as well as review assignments in connection with the IPO of Nordnet AB (publ) in 2020. Remuneration has also been paid for other advisory services, most of which pertains to consultation concerning accounting and tax issues.

For further information on the remuneration of senior executives and auditors, see Note 13.

Risks and uncertainty factors.

The core of Nordnet's operations is to offer customers in Sweden, Norway, Denmark and Finland products and services for savings and investments. Customers' trading activity and savings are affected by a number of factors associated with customers' personal finances. A deterioration in macroeconomic conditions in these markets or globally may result in Nordic customers having less funds available to invest or in their becoming less interested in securities as savings

and investment options, which could have a negative impact on Nordnet's operations and earnings.

The markets for savings and investments, and for lending to consumers in the Nordic region are, and will continue to be, exposed to competition. There is a risk that local competitors in Sweden, Norway, Denmark and Finland will expand their operations to other Nordic countries or that non-Nordic players will choose to expand into one or more of the Nordic countries and that new products or price models will be launched that could exert pressure on prices. There is also a risk that Nordnet will not succeed in developing at a sufficiently fast pace in relation to the rapid development in the industry, or will fail to develop and to introduce new, attractive and innovative solutions.

As Nordnet's digital platform forms the core of its operations, Nordnet is exposed to risks related to its information and communication technology ("ICT"), such as system errors, delays in performing services, catastrophic events and interruptions to access to Nordnet's products or services, and loss or leakage of customer data. Such incidents could damage Nordnet's operations and brand, and entail liability for damages and sanctions.

In general, the cyber threat to the digital financial sector is extensive and Nordnet's operations are thus exposed to cyber attacks, insider attacks and fraud. An incident related to such attacks or fraud may materially disrupt Nordnet's operations, damage Nordnet's reputation, expose Nordnet to the risk of loss, sanctions or legal proceedings and a potential exposure to liability for losses affecting customers.

Nordnet is exposed to risks related to human error, incorrect or inadequate performance of services by employees, lack of fully efficient processes for internal control and deficiencies in the knowledge and experience of employees. Improper measures or incorrect handling by Nordnet's personnel could lead to financial losses for customers, legal proceedings and sanctions, thereby damaging confidence in Nordnet.

Nordnet's growth in income, including the recent growth increase, may prove difficult to maintain over time, depending on investor behaviours and market conditions. Nordnet has experienced increased

trading activity over the past two years, partly in light of the volatility in the capital markets as a result of the coronavirus pandemic. Demand for digital trading and conditions in the stock market may, however, deteriorate in the future, which may have a negative effect on Nordnet's income and operating profit.

Nordnet is dependent on services, licenses and agreements with partners for a number of Nordnet's services and products and these parties' failure to perform these services, provide these licenses and fulfil these agreements could have a negative impact on Nordnet's operations. Nordnet has also previously experienced such shortcomings in certain partners, some of which have caused significant interruptions in Nordnet's provision of services.

If the development of the mutual funds that Nordnet offers under its own brand is not satisfactory, such as in relation to the relevant index, Nordnet's brand and reputation may be negatively affected, resulting in decreased compensation, which would, in turn, affect Nordnet's growth.

Nordnet has historically experienced negative publicity regarding, for example, its products and services, in newspapers and on social media, such as Twitter. Such publicity exposes Nordnet to a reputation risk not only with regard to the criticized products and services but also in relation to Nordnet as a brand. Poor publicity of this kind could have an adverse effect on Nordnet's earnings and future growth.

Nordnet is subject to capital and liquidity requirements including the leverage ratio requirements and must maintain adequate capital and liquidity buffers. If Nordnet fails to meet increased capital requirements or other requirements that are introduced, this may lead to interventions, such as sanctions being issued, which could adversely affect Nordnet's earnings and financial position. Uncertainty in the market regarding future capital requirements may mean that Nordnet's borrowing expenses increase and limit the company's access to the capital markets, which may have a material adverse effect on Nordnet's operations, earnings and financial position.

The operations that Nordnet conducts are supervised, in relation to, for example, solvency and capital

adequacy rules and rules regarding internal governance and control. As a result of the activities conducted by Nordnet's subsidiaries in various countries, consumer authorities, financial supervisory authorities and other authorities in these countries have jurisdiction over several parts of Nordnet's operations, including marketing and sales methods, remuneration models, general business terms and reminders and debt collection. Nordnet is also subject to directly applicable EU regulations and EU directives implemented through local legislation. In the event of significant deficiencies in compliance with regulations applicable to operations requiring permits, the permits granted by Swedish Financial Supervisory Authority (Finansinspektionen) and its Norwegian equivalent, the Norwegian Financial Supervisory Authority (Finanstilsynet) to Nordnet's subsidiaries may be revoked, which would lead to the subsidiaries being forced to cease operations. Operating in a tightly regulated environment not only exposes Nordnet to the risk of sanction fees and other sanctions, but also entails significant expenses and resource requirements for implementing, adapting, monitoring and otherwise conducting operations in accordance with current rules.

Nordnet's operations are covered by laws and other rules regarding money laundering and terrorist financing in each Nordic country in which the company operates. Deficiencies in compliance with such rules may lead to sanctions, in the form of remarks or warnings, penalty fees and other interventions and may ultimately lead to the revocation of Nordnet's subsidiaries' licenses. There is also a risk that business relationships and Nordnet's reputation could be significantly damaged.

Nordnet processes large amounts of personal data on a daily basis and failure to comply with the Data Protection Regulation (GDPR) could lead to severe financial sanctions and Nordnet's reputation can be negatively affected to a significant extent.

Nordnet's operations are influenced by a number of environmental factors, the effects of which on the Group's profit and financial position can be controlled to varying degrees. When assessing the Group's future development, it is important to take into account the risk factors alongside any opportunities for profit growth. For a detailed description of risks and how these are handled, please see Note 7.

Official supervision.

Nordnet's operations are supervised by the Swedish Financial Supervisory Authority in Sweden and the corresponding authorities in Norway, Finland and Denmark. The operations are largely regulated by laws, instructions, industry agreements and through regulations issued by the EU and the European supervisory authorities. Within the Group, compliance with regulations is therefore of the utmost importance and is subject to regular review and follow-up, in part by the Board of Directors and in part by the control functions. Among other things, Nordnet's compliance function reviews whether the policies and instructions developed by the operations are appropriate and effective. The compliance function is also tasked with ensuring that Group's employees, including the Board of Directors, receive regular information regarding the regulations applicable to the operations conducted. This occurs, for example through training courses on new and changing business rules and information on the intranet.

Review by the Swedish Financial Supervisory Authority.

At the end of March 2021, it was announced that the Swedish Financial Supervisory Authority decided to conduct an investigation against Nordnet regarding internal governance and control in relation to the Short Selling Regulation. The background to the investigation lies in short-selling transactions conducted by Nordnet customers in Moment Group AB in February 2021. Due to these transactions, the Swedish Financial Supervisory Authority seeks to review Nordnet's internal procedures and processes for short selling and their application, with a particular focus on the short-selling regulation's ban on short-selling shares without collateral.

There has since been a dialogue between Nordnet and the Swedish Financial Supervisory Authority, including a meeting, requests for material and other correspondence. On 16 December, the Swedish Financial Supervisory Authority decided, as a step in the investigation process, to initiate a sanction review. The Swedish Financial Supervisory Authority has subsequently sent Nordnet a letter giving an account of the observations made and the legal circumstances considered to motivate the consideration of sanctions. Although the

process has yet to be completed, a possible outcome is that Nordnet will be sanctioned. No provisions have been made for any future fines due to excessive uncertainty regarding the amount.

Permits obtained.

The subsidiary, Nordnet Bank AB, which is subject to supervision by the Swedish Financial Supervisory Authority, is licensed to conduct banking operations in accordance with the Banking and Financing Business Act (2004:297), licensed to conduct securities operations in accordance with the Securities Market Act (2007:528), licensed to conduct insurance distribution in accordance with the Insurance Distribution Act (2018:1231) and licensed to conduct pension savings operations in accordance with the Individual Pension Savings Act (1993:931). The subsidiary, Nordnet Pensionsförsäkring AB, which is also subject to supervision by the Swedish Financial Supervisory Authority, is licensed to run insurance operations in accordance with the insurance operations Act (2010:2043). Nordnet Livsförsäkring AS is a wholly owned subsidiary of Nordnet Pensionsförsäkring AB and is subject to the supervision of the Norwegian Financial Supervisory Authority. Nordnet Livsförsäkring AS is licensed to conduct insurance operations in accordance with the Norwegian Insurance Act (10 June 2005 no. 44).

In the third quarter, Nordnet submitted an application to the Swedish Financial Supervisory Authority to launch a mutual fund company. The process is expected to take six months and the operations of Nordnet Fonder AB are expected to commence in the spring of 2022. The mutual funds company will be a wholly owned subsidiary of Nordnet Bank AB and the mutual funds to be managed will focus on broad asset classes and long-term savings. Mutual funds are a priority area for Nordnet and having a mutual fund company of its own is a natural next step in the strategy for the business area.

Tier I capital contributions.

In the fourth quarter, Nordnet issued Tier I capital (Additional Tier I Capital) of SEK 600 million to optimize its capital structure. The bonds have a perpetual maturity, with an initial opportunity for redemption after five years and carrying variable interest of three-month

Stibor +3.90 percent. The bonds are listed on Nasdaq Stockholm. For more information, see the Group's specification of equity on page 73.

Share-based incentive programs.

At the Extraordinary General Meeting on 28 October 2021, a decision was made to establish a new incentive program 2021/2024 for all Nordnet Group employees. A total of 862,695 warrants were issued. Deviating from existing shareholders' preferential rights, the right to subscribe for warrants accrued to a wholly owned subsidiary of Nordnet, Nordnet Incentive AB, which is entitled and obliged to transfer the warrants to Nordnet Group employees wishing to participate in the program. The subsidiary subscribed for the warrants free-of-charge and transferred them to the program participants at market prices. The number of warrants issued to each participant depended on the participant's function in the Group. The program will be in effect for three (3) years, with each warrant entitling the holder to subscribe for one (1) share in Nordnet AB (publ). The subscription price per share for the warrants amounted to 120 percent of Nordnet's average share price over the measurement period of 1 November – 8 November 2021. The warrants were transferred on market terms at a fair value determined applying the Black-Scholes valuation model. The program may cause a maximum dilution effect of less than 0.5 percent of the company's share capital. A corresponding warrant program 2020/2023, encompassing 5,893,854 options already exists. For further information, see page 119.

Sustainability.

Sustainability is part of Nordnet's DNA, and is in line with our purpose of democratizing savings and investments. Within the framework of this overarching ambition, we strive to give all private individuals access to knowledge and tools to be optimally able to manage their financial futures. The sustainability strategy comprises three main areas: democratizing savings and investments, gender equality and diversity, and responsible and sustainable operations. Within these areas, we strive to benefit society in the long term, but also to benefit us as a company, in accordance with the principle of "shared value". We aim to become a leader in sustainable savings in the Nordic region. For us, this means helping customers invest sustainably by devel-

oping digital tools, making knowledge available and offering a wide range of sustainable investment options. As a company, Nordnet has a limited environmental impact. Our stores are digital, and our business model does not require any physical bank branches. Nor do we offer any traditional corporate lending, which is why our exposure to the environment and climate-related sectors is low. Read more about our sustainability work on pages 18–38.

Nordnet has prepared a Sustainability Report in accordance with GRI Standards. In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Nordnet has chosen to prepare the Statutory Sustainability Report separately from the Annual Report. The Sustainability Report is included on pages 18–38 and pages 166–172 of this document.

Events after 31 December 2021

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 5.56 per share, corresponding to 70 percent of profit after tax for 2021.

Nordnet's Nomination Committee proposes that Gustaf Unger be elected as a new Board Member. Hans Larsson has declined re-election.

During the period 10–24 February 2022, Nordnet repurchased a total of 375,000 shares to cover parts of Nordnet's undertakings in connection with the company's long-term share-related incentive programs. The average price for the shares acquired amounted to SEK 150.66 per share, with the total amounting to SEK 56,498,124. The shares were repurchased on Nasdaq Stockholm.

On 24 February, Russia commenced its invasion of Ukraine. Besides the catastrophic humanitarian consequences for the country's population, the invasion has had a powerful impact on the financial markets. Considerable uncertainty and sharply increased risks prevail regarding investments in shares, mutual funds or other securities associated with Russia. International sanctions, official orders and restrictions imposed by stock exchanges, marketplaces or other financial institutions affect Nordnet's range of financial instruments associated with the Russian market, and trading has been halted for a number of securities.

Uncertainty regarding Russia's future economic prospects has increased, while increasing sanctions and the exclusion of several Russian banks from Swift will have a severe impact on the Russian domestic economy. Both in Russia, as well as outside the country, stock market volatility has increased, and prices for oil and other sources of energy have risen. This may push inflation further, which could, in the long term, lead to higher interest rates.

Nordnet is monitoring developments continuously and is maintaining heightened preparedness to be able to respond quickly to the prevailing circumstances. In the short term, a large number of communication initiatives have been undertaken directed at the company's customers to shed light on the increased risk in shares and mutual funds associated with Russia, the adjustment of the offering in securities with exposure to Russia, the review of the credit and treasury portfolio and the lowering of loan-to-value ratios on securities. The rising tensions and new security situation in Europe also motivate a review of the scenario weights. Nordnet is therefore adjusting its credit weighting for the calculation of credit losses.

Corporate Governance Report.



Corporate Governance Report.

Introduction.

Nordnet AB (publ) has been listed on Nasdaq Stockholm since 25 November 2020. The company's governance in 2021 was based on, among other things, the Articles of Association, the Swedish Companies Act, the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the Swedish Code of Corporate Governance (the "Code") and internal governing documents. This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code. Nordnet's ambition is to comply with the Code.

In 2021, for obvious reasons in connection with the prevailing pandemic, Nordnet has not complied with the requirement regarding attendance at general meetings described in Section 1.2 of the Code. The Annual General Meeting was instead held through postal voting only in accordance with Section 20 of the Act on Temporary Exemptions (2020:198) to facilitate the conduct of general meetings in companies and associations.

Bodies and regulations.

Shareholders.

At the end of 2021, Nordnet had a total of 27,010 (26,799) known shareholders. The largest shareholder was Öhman Intressenter with 21.6 percent of the votes and capital, followed by Premiefinans with 10.1 percent and Fidelity Investments with 4.9 percent. Known foreign shareholders accounted for a total 28.0 percent of votes and capital. At the end of the year, known Swedish and foreign institutional organizations held 41.6 percent and Swedish private individuals 17.6 percent of the shares. Anonymous ownership at the time amounted to 7.3 percent of shares and votes.

Annual General Meeting.

Resolutions concerning Nordnet are taken by the Annual General Meeting, which is the company's highest decision-making body. Some of the obligatory tasks of the Annual General Meeting include approving and adopting the company's balance sheet and income statement, deciding on the distribution of earnings,

the remuneration principles for the company's senior executives and on discharge from liability for the Board Members and CEO. The Annual General Meeting also elects Board Members and auditors for the period until the end of the ensuing Annual General Meeting. All shareholders registered in the shareholders' register and who have announced their intent to participate in time have the right to participate at the meeting and vote according to their shareholding. One share entitles the holder to one vote.

Nomination Committee.

The Nomination Committee shall safeguard the interests of all shareholders and is tasked with submitting proposals to the Annual General Meeting regarding, among other things, the number of Board Members and the composition of the Board of Directors, including the Chairman of the Board, as well as submitting proposals regarding Board fees, specified for the Chairman of the Board and other Board Members. The composition of the Board of Directors shall be in accordance with applicable laws and regulations, as well as with the policy of fostering diversity on the Board adopted by Nordnet's Board of Directors. An important principle is that the Board of Directors should be of the size and composition most appropriate for the company's needs. Nordnet strives for its Board of Directors to have an equal gender distribution, composed of members of varying ages, with varied education, experience and expertise, and with varying geographical backgrounds. The Nomination Committee shall also submit proposals for chairman at the Annual General Meeting and for the election of auditors and their remuneration, as well as proposals for any new instructions regarding the appointment of the Nomination Committee and its work. All shareholders are entitled to propose Board Members to the Nomination Committee.

The Nomination Committee shall comprise the Chairman of the Board and three members appointed by the three

largest shareholders in Nordnet, by number of votes, as of 31 July 2021. If any of the three largest shareholders

Nomination Committee prior to AGM

Name	Shareholding 31/12/2021	Appointed by	Shareholding 31/12/2021
Johan Malm	-	E. Öhman J:or Intressenter Aktiebolag	54,101,392
Björn Fröling	-	Premiefinans K. Bolin Aktiebolag	25,203,182
Frank Larsson	-	Cidron Danube S.å.r.l	9,178,191
Tom Dinkelspiel, Chairman of the Board	4,354,889		

in terms of votes does not exercise the right to appoint a member, the right to appoint a member of the Nomination Committee passes to the next-largest shareholder by number of votes. The individual representing the largest shareholder in terms of voting rights shall be appointed chairman of the election committee, unless the election committee decides otherwise.

Board of Directors.

Responsibility of the Board of Directors in 2021

Nordnet's Board of Directors is the company's second-highest decision-making body. The tasks of the Board of Directors are stated in the Swedish Companies Act, the Articles of Association and the Code. In addition, the work of the Board of Directors is governed by the Board's rules of procedure, as adopted annually by the Board of Directors.

The Board of Directors bears the overarching responsibility for the company's organization and management of the company's affairs and is responsible for safeguarding a well-functioning reporting system. The Board is responsible for the company's long-term operations and significant issues, for reviewing the company's operations including procedures, resolutions on issues concerning financial targets, strategies, the business plan and budget, and continuously monitoring the company's development and financial situation. The Board is responsible for the Group's financial statements being prepared in compliance with legislation and applicable accounting principles, and for quality assuring the company's financial reporting. The Board safeguards that the company's external communication is characterized by openness and objectivity as well as high relevance to the target groups to which it is directed. The Board also has the task of ensuring that there is satisfactory control of the company's compliance with laws and regulations and that necessary ethical guidelines are established for the company's and the Group's conduct, including appointing an

internal auditor, whose work is evaluated annually. In addition, the Board is tasked with appointing the CEO, adopting instructions for the CEO and monitoring the CEO's work.

Chairman of the Board

The Chairman manages the work of the Board to ensure that this is done efficiently and that the Board of Directors fulfils its undertakings in accordance with applicable legislation and other regulations. The Chairman monitors the operations in dialogue with the CEO. The Chairman ensures that the Board Members, through efforts by the CEO, continuously receive sufficient information and background data for their work, and encourages an open and constructive discussion to foster optimum conditions for the work of the Board of Directors.

The Chairman ensures that the Board's work is evaluated annually and verifies that the Board's decisions are implemented effectively.

Composition of the Board

At the 2021 Annual General Meeting it was decided that the Board would consist of eight regular members and no deputies. In accordance with Nordnet's Articles of Association, the Board of Directors shall comprise at least three and at most ten Board Members. The CEO is not a Board Member, but participates in Board meetings in a reporting role. The company's General Counsel acts as secretary at Board meetings. Where necessary, other company officials also present reports. The table on the next page shows the composition of the Board of Directors as of 31 December 2021 and includes the Board's dependence in relation to Nordnet, Group Management and major shareholders. In accordance with the Articles of Association, Board Members are elected annually by the Annual General Meeting. The Articles of Association include no specific regulations on dismissing Board Members and amending the Articles of Association.

Board members 2021									
Board member	Elected	Position	Independent in relation to Nordnet and Group Management/ major shareholders:	Remuneration committee	Credit committee	Audit committee	Risk & compliance committee	IT committee	
Tom Dinkelspiel	2007	Chairman of the Board	Yes/No	Chairman	Chairman	Member	Member		
Anna Bäck	2020	Board member	Yes/Yes					Member	
Jan Dinkelspiel	2017	Board member	Yes/No	Member	Member			Member	
Karitha Ericson	2019	Board member	Yes/Yes				Member		
Christian Frick	2017	Board member	Yes/Yes			Member			
Hans Larsson	2017	Board member	Yes/Yes	Member	Member	Chairman	Chairman		
Charlotta Nilsson	2021	Board member	Yes/Yes					Member	
Per Widerström	2017	Board member	Yes/Yes					Chairman	

*Christopher Ekdahl was a Board Member until the Annual General Meeting on 29 April 2021, but declined re-election.

Promoting diversity in the Board

Diversity entails a variety of characteristics and skills among individuals. This may apply, for example, to formal skills in the form of education, experience in different sectors, experience from activities in different countries or other background factors such as gender, ethnicity or age. Nordnet strives for equal gender distribution on the Board of Directors, and to have members of varying age, education, experience and expertise, as well as geographical background. Nordnet's Board currently has a diversified composition in terms of expertise, experience and specialist areas, and it is well-adapted in this respect to Nordnet's priority development areas. The gender distribution of the Board is relatively even and, as of the 2021 Annual General Meeting, three Board Members are women.

The Board's rules of procedure

The rules of procedure are set annually at the Board meeting following election. The rules of procedure are reviewed when necessary. The rules of procedure include the Board's responsibilities, tasks and division of labour, the duties of the Chairman, Board meeting agendas, and audit issues. They also state what reports and financial information are to be received by the Board in preparation for each ordinary Board meeting. Furthermore, the rules of procedure include instructions to the CEO complemented by CEO terms of reference. The rules of procedure also stipulate that Remuneration, Audit, Risk, Compliance and IT Com-

mittees are to be established and what their tasks will be. The Board's rules of procedure were adopted on 29 April 2021. In addition to these committees, there is a Credit Committee specific to the bank operations.

Evaluation of the work of the Board

The procedures state that an annual evaluation of the work of the Board should take place by means of a systematic and structured process. The Chairman of the Board ensured that the work of the Board in 2021 was evaluated by an external consult.

Committees

Although the Board's overarching responsibility cannot be delegated, the Board has established the following preparatory committees. Nordnet's Board of Directors currently has four committees: the Remuneration Committee, the Audit Committee, the Risk and Compliance Committee and the IT Committee. All of the committees serve as bodies that prepare matters for the Board of Directors. In addition to these committees, there is a Credit Committee specific to the bank operations that has been established by the Board of Directors of the subsidiary Nordnet Bank AB.

Remuneration Committee

The Remuneration Committee is responsible for preparing matters regarding salaries, remuneration and other terms of employment for the CEO, Group Management and others, as well as incentive programs for

Group employees, where applicable. The Committee shall also analyze and present to the Board the risks associated with the company's remuneration system and, on the basis of this analysis, identify and present the employees who should be considered to have a substantial impact on the company's risk profile. Reporting to the Board takes place regularly.

Audit Committee

Without affecting the responsibilities and tasks of the Board as a whole, the Audit Committee is principally tasked with assuring satisfactory control of risk management, internal control, accounting and financial reporting and with ensuring that the company's financial reporting is prepared in accordance with the law, other relevant regulations and applicable accounting standards. The Audit Committee shall also ensure on-going contact with the external auditors, proposing guidelines for the Board regarding which services, beyond auditing, that may be procured from the auditor, examining and monitoring the auditor's impartiality and independence, and assisting in the preparation of proposed resolutions by the Annual General Meeting regarding the election of auditors. In addition, the Committee shall inform the Board of the results of the audit, including on how the audit contributed to the reliability of the company's financial reporting.

Risk and Compliance Committee

In its work and, where necessary, in dialogue with the external auditors, the internal audit function, those responsible for the Risk Control and Compliance functions, as well as with other committees established by the Board of Directors and with Group Management, the Risk and Compliance Committee shall monitor the structure of the operations and the organization, as well as their regulatory compliance and reporting of risks and incidents, increasing the Board's opportunities for insight into these areas. The Committee shall also propose to the Board a plan for the internal audit. It shall also appraise the reviews of the operations and the policies applied conducted by the control functions and report on these to the Board of Directors.

IT Committee

The IT Committee is tasked with ensuring that Nordnet's IT strategy and platform are effectively defined, planned and implemented in accordance with Nordnet's overarching strategy and targets.

Credit Committee

For the subsidiary Nordnet Bank AB, the Board has established a Credit Committee which, among other things, is tasked with determining and preparing the limits for which the Board of Directors of the company is responsible in accordance with the Board procedures, and to prepare the annual reporting of the limits set by the Board. According to the current rules of procedures, the Credit Committee shall also report to the Board of Directors of Nordnet AB (publ).

CEO and Group Management.

The CEO leads the operations within the guidelines and instructions established by the Board. The most recently established instructions for the CEO were set by the Board on 29 April 2021. The CEO is responsible for compliance with the objectives, policies and strategic plans for the Group established by the Board. The CEO also produces the data needed to monitor the Group's position, profit, liquidity and general development, background data and decision materials in preparation for Board meetings and also presents these matters. The CEO leads the work of the Group Management team and makes decisions in consultation with other members of management. Group Management holds regular meetings at which both strategic and operational issues are discussed. Group Management comprises the heads of key business areas within the Group, see pages 66–67.

Audits and auditors.

At the 2021 Annual General Meeting, accounting firm Deloitte AB was re-appointed as the auditor for Nordnet AB and all of its subsidiaries until the 2022 Annual General Meeting. The principal auditor is Authorized Public Accountant Patrick Honeth. The auditors' task is to review the annual accounts, consolidated accounts and accounting, plus the administration of the Board and CEO. The auditors report back on their findings on a number of occasions during the year and are present at the Board meetings that deal with annual accounts. The auditors also maintain continuous contact with the Audit Committee.

Internal audit.

In accordance with the Board's procedures and procedures for the subsidiaries Nordnet Bank AB and Nordnet Pensionsförsäkring AB and Nordnet Livförsäkring AS, as well as the regulations of the Swedish

Financial Supervisory Authority, the Board has appointed an independent review function/internal audit, which is directly subordinate to the Board. The work of the internal audit is based on a Policy adopted by the Board of Directors. The internal audit shall review and periodically assess the appropriateness and efficiency of the company's internal controls. Since 2018, this function has been held by EY.

The Board's control of financial reporting.

The Board monitors and assures the compliance of the financial reporting with external regulations and is responsible for following up the internal control of the financial reporting (ICFR).

The ICFR framework is closely related to Nordnet's internal framework for operational risk management. Methods and processes are coordinated and adapted to assure efficiency and accuracy. Internal governance and control are performed by the Board, Group Management and other personnel, and the framework is designed to provide reasonable assurance that objectives regarding operations, reporting and legal and regulatory compliance are met. The framework serves to identify risks and establish control environments with clear roles and responsibilities.

The ICFR work, as well as general operational risk control, is based on COSO (Committee of Sponsoring Organizations of the Treadway Commission) and is based on five internal control components:

- **Control environment** - Nordnet has instructions, policies, procedures, authorization manuals and guidelines related to the management of the operations, compliance, financial accounting and reporting. All documents are published and made available to all personnel.
- **Risk assessment**— The CEO bears the overall responsibility for managing the Group's risks. Risk management is an integral part of the operations that must be assessed and managed in accordance with the Risk Policy. To be able to exercise effective internal control of financial reporting, the company must understand and identify the risks to which the operations are exposed and, as part of the assessment process, determine and consider the consequences of the relevant risks. Nordnet continuously assesses the risks in its financial reporting — that is, it identifies, analyzes and assesses the principal risks of misstatement in the financial reports.
- **Control activities** — The control activities serve to detect, guard against and limit risks and the assumption of risks in operations while also preventing deviations and errors in financial reporting. To assure the quality of the financial reporting, controls are performed at several levels. The internal reporting and control systems are based on internal regulations for financial planning, accounting principles and reporting, as well as the follow-up and analysis of financial results.
- **Information and communications** — All employees must understand their own role in the internal control system, as well as how individual activities relate to the work of others. Employees are provided with tools for the upstream and downstream communication of important information. Each manager is responsible for adequate reporting regarding internal control to the next management level, thereby securing communications throughout the organization. Instructions, policies and guidelines are made available and kept updated via Nordnet's intranet. Knowledge and awareness of these are obtained by means of ongoing internal training and information for the various departments and functions covered by the responsibility for internal reporting.
- **Supervision**— An annual follow-up of the controls included in the ICFR framework is performed to assure the reliability of the process. Self-assessment is performed on a regular and ongoing basis. Assessment results are followed up by the finance department and reported to the Audit Committee.

In 2021, the interim report for the third quarter was subject to review by the company's auditors. In addition, on four occasions over the year, the company's auditors conducted reviews regarding the inclusion of the interim result in the capital base for Nordnet Bank AB and its consolidated situation.

The Group's auditors report their findings to the Board in connection with the review of the annual accounts. In addition, the Board meets the company's auditors at least once a year — without the presence of the executive management team — to learn about the focus and scope of the audit, and to discuss coordination between the external and internal audits and views of the company's risks. The auditor issues a presentation and receives feedback from the Board regarding the focus and scope of the audit.

Internal control.

Nordnet works with internal control in accordance with the principles of the three lines of defence, where the business operations constitute the first line of defence and are tasked with identifying, managing and mitigating potential risks. The second line of defence comprises the risk control and regulatory compliance functions and, as far as the subsidiaries Nordnet Pensionsförsäkring AB and Nordnet Livsförsäkring AS are concerned, their actuarial functions. Risk Control, Compliance and the actuarial function are independent of the business operations. The functions are responsible for developing principles and frameworks for Nordnet's risk management, obtaining the business's risk assessments and conducting independent follow-ups. They shall also promote a healthy risk culture by supporting and educating Nordnet's employees. These functions are directly subordinate to the CEO and report regularly to both the CEO and the Board of Directors. The internal audit constitutes the third line of defence, which on behalf of the Board monitors both the first and second line of defence. The internal audit is directly subordinate to, and reports to, the Board and its main task is to assess, based on the audits conducted, the extent to which internal governance, risk management and internal control are appropriate and effective, and to submit an opinion in this regard to the Board of Directors and the CEO.

The tasks performed by the Audit Committee ensure that the financial reports maintain a high standard. The Board follows up and assesses this quality assurance through monthly reports on the company's earnings

trend, credit and risk exposure and relevant sector data and by addressing the Group's financial situation at each Board meeting.

Work over the year.

Annual General Meeting 2021.

Nordnet's 2021 Annual General Meeting was held on 29 April 2021. General Counsel, Fredrik Lundén, was elected chairman of the Meeting and Carl Dahlborg, Nordnet's General Counsel, was elected secretary. The resolutions of the Annual General Meeting included:

- Dividend of SEK 1.51 per share
- The Board of Directors shall comprise eight ordinary members and no deputies.

Two Extraordinary General Meetings were held in 2021, on 28 October and 14 December. The Extraordinary General Meetings resolved to establish a warrants program entailing the issue and transfer of share warrants and approved an additional profit dividend of SEK 1.77 per share.

Attendance at the AGM

Extra General Meeting 14 December	65%
Extra General Meeting 28 October	76%
2021 (ordinary)	70%
2020 (ordinary)	100%
2019	100%
2018	100%

Percentage of votes and capital.

Attendance Board meetings and committee meetings 2021

	Board meetings ¹	Remuneration committee ²	Credit committee ³	Audit committee	Risk and compliance committee	IT committee
Tom Dinkelspiel	17 of 17	8 of 8	15 of 15	8 of 9	8 of 8	
Anna Bäck ⁵	16 of 17			3 of 9		7 of 7
Jan Dinkelspiel ⁶	15 of 17	3 of 8	14 of 15			7 of 7
Kartha Ericson	17 of 17				8 of 8	
Christian Frick ⁷	16 of 17	5 of 8		7 of 9		
Hans Larsson	17 of 17	8 of 8	14 of 15	9 of 9	8 of 8	
Charlotta Nilsson ⁸	13 of 17					4 of 7
Per Widerström	17 of 17					7 of 7

¹ Total number of meetings, of which two were held by mail.

² Total number of meetings, of which four were held by mail.

³ This committee exists only within Nordnet Bank AB but reports to the Board of Nordnet AB (publ). Total number of meetings, of which 8 were held by mail.

⁴ Total number of meetings, of which two were held by mail.

⁵ Anna Bäck stepped down from the Audit Committee on 29 April 2021.

⁶ Jan Dinkelspiel joined the Remuneration Committee on 29 April 2021 and attended all meetings of the Committee since then.

⁷ Christian Frick stepped down from the Remuneration Committee on 29 April 2021 and attended all meetings of the Committee until then.

⁸ Charlotta Nilsson was elected as a Board Member by the Annual General Meeting on 29 April 2021 and attended seven out of eight regular Board meetings since then. Charlotta stepped in as a member of the IT committee on 29 April 2021, immediately following her election as Board Member by the Annual General Meeting and has attended all four meetings of the Committee since then.

Board meetings 2021	
Meeting ¹	Topics discussed
February	Year-end report. Proposed dividend. Possible revaluation of balance sheet items. Reporting of other companies Q4. Compliance incl. SAE/AML, risk control and security. Customary cases. Board training.
March	ICLAAP. Annual Report Follow-up of employee satisfaction. Report on the audit work and the Board's meeting with the auditor. Questions from the Board committees. Reporting from Board committees and Nordnet Pension.
April	Interim report Q1. Forecast update. Reporting of other companies for Q1. Compliance incl. SAE/AML, risk control and security. Reporting from Board committees and Nordnet Pension. Board training.
May	Approach strategy meeting. Approval of stress scenarios in ORSA. Solvency reporting ("RSR" and "SFCR"). Reporting from Board committees and Nordnet Pension. Board training.
July	Results for the first six months January–June.
August	Strategy work.
September	Strategy work. Reporting of other companies for Q2. Compliance incl. SAE/AML, risk control and security. Reporting from Board committees and Nordnet Pension. Board training.
October	Interim report Q3. Reporting from Board committees and Nordnet Pension. Board training.
November	Establishment of strategic and financial plan and budget.
December	ORSA. Reporting of other companies Q3. Compliance incl. SAE/AML, risk control and security.

¹ In addition to the meetings above, seven meetings were conducted by correspondence, as well as two extraordinary meetings, and one statutory meeting on 23 April 2020.

Board of Directors.

The Board of Directors held 17 meetings over the year, two of which were held by mail. The table below shows the attendance at the meetings in 2021.

The work of the Board takes place at an intensive pace to support the CEO and other members of Group Management. At each ordinary meeting, the Board discussed a number of issues relating to strategic and business-related areas. During the year, Nordnet officials have also taken part in Board meetings by presenting reports. Every month, the Board receives a report on the company's earnings trend, credit and risk exposure and relevant industry data. See the table of Board meetings at which decisions were made in 2021 on the next page. For information about Board Members, see the section Board of Directors and auditors on pages 63–65.

Remuneration Committee

As of 31 December 2021, the Remuneration Committee comprised Tom Dinkelspiel (Chairman), Hans Larsson and Jan Dinkelspiel. The committee has conventionally handled matters as wages, compensation, incentive compensation and other employment terms for the

CEO and the company's top management and incentive programs for key employees. In 2021, the Committee held eight meetings, of which four were held by mail.

Audit Committee

As of 31 December 2021, the Audit Committee comprised Hans Larsson (Chairman), Tom Dinkelspiel and Christian Frick. Among other matters, the committee has prepared the work of the Board regarding quality assurance of financial reporting and maintained constant contact with the external auditor. In 2021 the Committee held nine meetings.

Risk and Compliance Committee

The Risk and Compliance Committee comprised Hans Larsson (Chairman), Karitha Ericson and Tom Dinkelspiel. Among other tasks, the Committee monitors the structure, regulatory compliance, risk and incident reporting in the organization and its operations, increasing the Board of Directors' opportunities for insight regarding these matters. The Committee held eight meetings during the year, of which two were held by mail.

The Credit Committee (committee within Nordnet Bank AB)

As of 31 December 2021, the Credit Committee comprised Tom Dinkelspiel (Chairman), Hans Larsson, and Jan Dinkelspiel. The Committee has determined and prepared the annual report of the Board's limits and limits on the company's Board of Directors in accordance with the applicable Credit Policy and credit instruction at all times. The Committee held 15 meetings during the year and eight were held by mail.

IT Committee

As of 31 December 2021, the IT Committee comprised Per Widerström (Chairman), Anna Bäck, Jan Dinkelspiel and Charlotta Nilsson.¹ The Committee prepared issues relating to IT operations and IT development. The Committee held seven meetings in 2021.

¹Former Board Member, Pierre Siri, also participates in the practical work of the committee as a consultant.

CEO.

Lars-Åke Norling has been the CEO of Nordnet since 1 September 2019.

Group Management.

As of 31 December 2021, Group Management comprises ten individuals: Lars-Åke Norling, Anne Buchardt, Rasmus Järborg, Lennart Krän, Elias Lindholm, Martin Ringberg Anders Skar, Johan Tidestad, Carina Tovi, and Suvi Tuppurainen.

Group Management is presented in greater detail in the appurtenant section on pages 66–67.

Remuneration of senior executives.

Guidelines on remuneration to the Board of Directors, Group Management and auditors are presented in the Board of Directors' Report on pages 46–49. Remuneration paid to senior executives in 2021 is also reported in the Board of Directors' Report and in Note 13.

Board of Directors and auditors.

The information regarding the board and management refers to March 15, 2022.



Tom Dinkelspiel, Chairman of the Board

Born: 1967

Elected: Chairman of the Board since 2019 and Board Member since 2007.

Committees: Chairman of the Remuneration Committee and the Credit Committee. Member of the Audit Committee and the Risk and Compliance Committee.

Education and work experience: Studied at the Stockholm School of Economics. Previous experience of positions including CEO, derivatives trader and stockbroker at subsidiaries of E.Öhman J:or AB.

Other significant assignments: Chairman of the Board at E. Öhman J:or AB, Premiefinans K. Bolin AB, Chairman of the Board and CEO at E. Öhman J:or Alternative Investments AB and Board Member at Öhman Luxembourg S.A., E. Öhman J:or Intressenter AB, Kogmot AB, Mokmot AB.

Own and related parties' holdings in the company: 4,389,889 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/No



Anna Bäck, Board Member

Born: 1972

Elected: 2020

Committees: Member of the IT Committee. **Education and work experience:** Master's degree in industrial economics, Linköping University and Executive MBA, Stockholm School of Economics. Anna has experience in digitization and innovation and is the President and CEO of Kivra. Previous experience as CTO at Glocalnet and Chief Operating Officer and Associate Partner at McKinsey & Company.

Other significant assignments: CEO and Board Member at Kivra Sverige AB and Kivra Oy. Board Member at Permobil AB. Member of SNS Board of Trustees.

Own and related parties' holdings in the company: 102,362 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes



Jan Dinkelspiel, Board Member

Born: 1977

Elected: 2017

Committees: Member of the Remuneration Committee, Credit Committee and IT Committee.

Education and work experience: BA in Economics, Stockholm University and MBA in Economics, University of Liverpool. Previous experience as an external adviser to start-ups. Founder of 10Xrecruit, a data-driven recruiter of system developers.

Other significant assignments: Board Member at Sasha Holding AB and Board Member and CEO at 10X People AB, and Chairman of the Board at GREEN14.

Own and related parties' holdings in the company: 3,357,599 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/No

Board of Directors and auditors.



Karitha Ericson, Board Member

Born: 1973

Elected: 2019

Committees: Member of the Risk and Compliance Committee.

Education and work experience: Education in advanced organizational psychology at Stockholm University and BA in psychology, Stockholm University. Karitha has experience in private equity and the financial sector and is currently Deputy CEO and COO of Grant Thornton Sweden AB. Previous experience as HR manager for EQT and various units within SEB.

Other significant assignments: Board Member at Kamami AB.

Own and related parties' holdings in the company: 100,229 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes



Christian Frick, Board Member

Born: 1976

Elected: 2017

Committees: Member of the Audit Committee.

Education and work experience: Graduate in Business Administration, Stockholm School of Economics and MBA, Stockholm University. Previous experience as analyst at Morgan Stanley. Currently partner at NC Advisory AB, adviser to Nordic Capital Funds.

Other significant assignments: Board Member at Nordax Bank AB (publ), Nordax Group AB, Nordax Holding AB, NVG Holding AB, MM Holding AB, Ihsus TopCo AB, Stora Röda Fågeln AB and de Tre Blåa Fåglarna AB.

Own and related parties' holdings in the company: –

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes



Hans Larsson, Board Member

Born: 1961

Elected: 2017

Committees: Chairman of the Risk and Compliance Committee and the Audit Committee, and member of the Remuneration Committee and the Credit Committee.

Education and work experience: BA in Economics and Business Administration at Uppsala University, Advanced Management Program at Stockholm School of Economics, Management Program at the Wallenberg Institute and studies in Political Science at Stockholm University. Adviser to companies in the financial sector. Hans has more than 30 years of experience from the banking sector and several management positions within SEB, including as Head of Capital Markets, Head of Group Strategy and Business Development and a member of the Group Executive Management Committee. His previous experience also includes several international board assignments. Currently Board Member and CEO of Linderyd Advisory AB and Lunda Advisory AB.

Other significant assignments: Board Member at Aktiebolaget Svensk Exportkredit, Intrum AB, Norwegian Finance Holding AS and Bank Norwegian ASA.

Own and related parties' holdings in the company: 167,574 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes

Board of Directors and auditors.



Charlotta Nilsson, Board Member

Born: 1970

Elected: 2021 **Committees:** Member of the IT Committee.

Education and work experience: Master's degree in Physics, Umeå University and Executive MBA, Stockholm School of Economics Stockholm and OWP at IMD Business School in Lausanne. Charlotta has extensive experience in experience in innovation and growth and and has been an investment expert for Vinnova in blockchain, AI and start-ups. Charlotta has held several senior positions including VP at Tieto AB, CEO at SIS, EVP at Vizrt (publ), MD at Ardeno AB and Deputy MD at Epsilon Hightech Innovation. Currently COO at Paradox Interactive (publ) including Board member in subsidiaries.

Other significant assignments: Board member of Industrifonden and Dataspelebranschen Spelplan ASGD AB.

Own and related parties' holdings in the company: –

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes



Per Widerström, Board Member

Born: 1966

Elected: 2017

Committees: Chairman of the IT Committee. **Education and work experience:** MA in International Accounting and Finance, London School of Economics, and Graduate in Business Administration, School of Business, Economics and Law at the University of Gothenburg. Per has experience of e-commerce, the gaming industry, telecom and FMCG. Previous experience includes leading positions in, for example, Gala Coral Group, bwin.party, Telenor, Procter & Gamble and Coca-Cola.

Other significant assignments: Chairman of the Board at Turbotic AB, Catena Media LTD and Catena Media PLC, QRed Holding AB and Sambla Group.

Own and related parties' holdings in the company: 194,446 shares

Independent in relation to Nordnet and Group Management/major shareholders: Yes/Yes

Auditors

The company's auditor has been Deloitte AB since 2017. The principal auditor is Patrick Honeth, born in 1973, Authorized Public Accountant and licensed auditor for financial companies.

Group management.



Lars-Åke Norling, CEO

Born: 1968

CEO since: 2019

Education and work experience: MA in Business Administration, School of Business, Economics and Law at the University of Gothenburg, Civil Engineering Program in Technical Physics, Uppsala University and MA in Systems Engineering, Case Western Reserve University, USA. Lars-Åke has more than 20 years of experience from companies in technology, media and telecom (TMT). Previous experience includes several management positions, including as CEO and CTO of Telenor Sweden.

Own and related parties' holdings in the company: 3,000,455 shares and 708,724 warrants.

Other significant assignments: Board Member at Tele2 AB.



Anne Buchardt, Country Manager Denmark

Born: 1969

Country Manager Denmark since: 2018

Education and work experience: MA in Economics, University of Copenhagen, Strategic Leadership Program, London Business School, INSEAD and IMD. Anne has more than 20 years of experience from the Danish and Nordic financial sector. Previous experience includes several management positions in the wealth management unit at Nordea, most recently as head of the Nordic financial advisory service for private individuals.

Own and related parties' holdings in the company: 207,526 shares and 229,385 warrants (through companies)

Other significant assignments: Board Member at PKA + Pension, Bølgebrus Holding ApS and Ress Life Investment A/S.



Rasmus Järborg, Chief Product Officer, Deputy CEO

Born: 1976

Chief Product Officer since: 2018

Deputy CEO since: 2021

Education and work experience: Graduate in Business Administration, Stockholm School of Economics. Previous experience from several management positions at SEB, including Chief Strategy Officer and responsible for the bank's digitization and digital channels. Rasmus has previously worked at the global investment bank UBS in London.

Own and related parties' holdings in the company: 299,569 shares and 437,429 warrants.

Other significant assignments: Board Member at Sleep Cycle AB.



Lennart Krän, Chief Financial Officer

Born: 1965

Chief Financial Officer since: 2019

Education and work experience: Graduate in Business Administration, Stockholm University and Certified Financial Analyst, Stockholm School of Economics. Lennart has experience from the financial services sector and has held positions as CEO of SalusAnsvar and as CFO of SBAB and of HSBC Investment Bank, Stockholm Branch.

Own and related parties' holdings in the company: 200,261 shares and 229,385 warrants

Other significant assignments: -



Elias Lindholm, Chief Technology Officer

Born: 1980

Chief Technology Officer since: 2021

Education and work experience: Graduate Engineer in Electrical Engineering, Chalmers University of Technology, Gothenburg. Elias has more than 11 years of experience from Avanza, of which the last three as CTO. Elias joined Nordnet in 2019 as the Head of Nordnet's Development Department, he became CTO in 2021.

Own and related parties' holdings in the company: 26,595 shares and 40,771 warrants

Other significant assignments: -



Martin Ringberg, Country Manager Sweden

Born: 1976

Country Manager Sweden since: 2018

Education and work experience: Graduate in Business Administration, Stockholm University. Previous experience from several management positions within SEB - mainly in savings and investments.

Own and related parties' holdings in the company: 193,197 shares and 218,714 warrants (through companies).

Other significant assignments: -

Group management.



Anders Skar, Country Manager Norway

Born: 1976

Country Manager Norway since: 2008

Education and work experience: MA in Finance from the Norwegian Business School. Anders has more than 15 years of experience from the Nordic and Norwegian banking, insurance and financial market. Previous experience as a consultant in banking, insurance, finance and CRM (customer relationship management) at Accenture.

Own and related parties' holdings in the company: 207,420 shares and 208,044 warrants (through companies)

Other significant assignments: Board Member at stiftelsen AksjeNorge.



Johan Tidestad, Chief Communications Officer

Born: 1968

Chief Communications Officer since: 2012

Education and work experience: BA in Laws, Uppsala University and studies at Berghs School of Communication. Previous positions as Deputy CEO and Chief Legal Counsel at E-Trade Sweden, a digital bank for savings and investments based in the US, and founder and Deputy CEO of mutual fund company Bergsgård Petersson Fonder AB.

Own and related parties' holdings in the company: 75,478 shares and 218,714 warrants

Other significant assignments: –



Carina Tovi, Chief Human Resource Officer

Born: 1965

Chief Human Resource Officer since: 2018

Education and work experience: Graduate in Business Administration, Stockholm School of Economics. Carina has more than 20 years of experience from the financial industry, mainly in asset management, business and product development. Previous positions as CEO and Head of Products at Swedbank Robur Fonder.

Own and related parties' holdings in the company: 90,296 shares and 208,044 warrants

Other significant assignments: –



Suvi Tuppurainen, Country Manager Finland

Born: 1976

Country Manager Finland since: 2016

Education and work experience: MA in Economics, University of Tampere, Finland. Suvi has more than 20 years of experience from the financial sector and has held positions including Head of Online Desk, stockbroker, specialist in payment control and risk management at eQ Bank. Founder of Propertit OY.

Own and related parties' holdings in the company: 135,146 shares and 229,385 warrants.

Other significant assignments: Chairman of the Board at Propertit Oy.

Proposed appropriation of profit.

The following profits are at the disposal of the Annual General Meeting (SEK):

Share premium reserve	6,646,779,422
Other capital contributions	1,100,000,000
Profit brought forward	-5,623,260,795
Profit for the year	300,463,372
Total	2,423,982,000

The Board of Directors proposes the following appropriation:

To shareholders, a dividend of SEK 1.51 per share	1,390,000,000
Carried forward to next year	1,033,982,000
Total	2,423,982,000

The Board of Directors of Nordnet AB (publ) proposes that the Annual General Meeting on 28 April 2022 resolve to allocate the retained earnings, including the profit for the year according to the approved balance sheet, such that SEK 5.56 per share is distributed to shareholders and the remainder is transferred to a new account. This corresponds to a total dividend of SEK 1,390 million and a dividend payout ratio of 70 percent of the total profit for 2021.

In the opinion of the Board of Directors, the financial position of the company and the Group justifies the proposed dividend with reference to the requirements such as the nature, scope and risks of the business with regard to the scope of the company's and the Group's equity and the company's and Group operations' consolidation needs, liquidity and position in general.

Taking recent market turmoil into account, a special review was conducted to ensure that the financial position of the company and the Group is not jeopardized by the proposed dividend. The assessment is that the current situation does not give rise to any change in the assessment of the financial position. The capital adequacy and liquidity situations both remain satisfactory. In addition, the assessment is that the situation has not entailed, nor will entail any major increase in credit losses that would have a material negative impact on equity.

The Board of Directors and the CEO provide their assurance that the annual accounts have been prepared in accordance with generally accepted accounting practices in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards as stipulated by the European Parliament and Council's regulation (EC) No. 1606/2002 of 19 July 2002 on the application of international accounting standards and give a fair account of the Parent Company and Group's position and earnings. Furthermore, assurance is given that the Board of Directors' Report for the Parent Company and Group, respectively, provides an accurate overview of the development of operations, position and earnings of the Parent Company and the Group, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.



**Financial
statements.**

Financial statements.

Consolidated income statement.

SEK thousands	Note	2021	2020
Commission income	9	3,476,405	2,609,339
Commission expenses	9	-746,803	-588,662
Interest income	10	945,168	787,113
Interest expenses	10	-228,029	-183,557
Net result of financial transactions	11	17,974	-14,224
Other operating income	12	163,731	68,723
Total operating income		3,628,446	2,678,732
General administrative expenses	13	-917,537	-991,669
Depreciation, amortization and impairments of intangibles and equipment	14	-162,700	-158,119
Other operating expenses	15	-60,699	-43,631
Total expenses before credit losses		-1,140,936	-1,193,419
Profit before credit losses		2,487,510	1,485,313
Credit losses, net	16	-36,342	-38,703
Operating profit		2,451,168	1,446,610
Tax on profit for the year	17	-466,517	-273,877
Profit for the year ¹		1,984,651	1,172,733
Earnings per share before dilution, SEK	36	7.79	4.55
Earnings per share after dilution, SEK	36	7.75	4.55
Number of shares before dilution, SEK		250,000,000	250,000,000.00
Number of shares after dilution, SEK		251,146,045	250,000,000.00

¹ The entire profit accrues to the Parent Company's shareholders.

Consolidated statement of comprehensive income.

SEK thousands	Note	2021	2020
Profit for the year		1,984,651	1,172,733
Items that will be reversed to the income statement			
Changes in value of financial assets recognized at fair value through other comprehensive income	32	-3,596	31,142
Tax on changes in value of financial assets recognized at fair value through other comprehensive income	32	741	-6,664
Translation of foreign operations	32	44,925	-49,530
Tax on translation of foreign operations	32	-3,099	839
Total other comprehensive income after tax		38,971	-24,213
Total profit or loss and other comprehensive income ¹		2,023,622	1,148,520

¹ The full profit goes to the shareholders of the Parent Company.

Consolidated balance sheet.

SEK thousands	Note	2021	2020
Assets			
Cash and balances in Central banks		4,249,838	3,100,458
Treasury bills and other interest bearing securities eligible for refinancing	19	33,702,746	30,279,559
Loans to credit institutions	20	644,775	603,553
Loans to the general public	21	26,326,156	20,311,856
Bonds and other interest bearing securities	22	10,978,250	2,336,440
Shares and participations	23	5,165	7,314
Assets for which customers bear the investment risk	24	152,165,467	102,691,267
Intangible fixed assets	25	920,682	866,810
Tangible fixed assets	26	285,322	272,943
Deferred taxed assets	17	895	634
Current tax assets	17	587	12,159
Other assets	27	2,906,337	7,228,635
Prepaid expenses and accrued income	28	357,939	281,423
Total assets		232,544,159	167,993,051
Liabilities			
Deposits and borrowing from the general public	29	64,286,693	52,552,788
Liabilities for which customers bear the investment risk	24	152,168,288	102,693,283
Other liabilities	30	9,468,743	7,976,356
Current tax liabilities	17	327,596	199,955
Deferred tax liabilities	17	65,653	73,231
Accrued expenses and deferred income	31	237,085	285,709
Total liabilities		226,554,058	163,781,322
Equity	32		
Share capital		1,250	1,250
Additional Tier 1(AT1) capital		1,100,000	500,000
Other capital contributions		7,125,922	7,112,399
Other reserves		-61,383	-100,355
Retained earnings including profit for the year		-2,175,688	-3,301,565
Total equity		5,990,101	4,211,729
Total liabilities and equity		232,544,159	167,993,051

Consolidated statement of changes in equity

SEK thousands	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves ¹	Retained earnings including profit for the year	Total equity
Equity brought forward 1 January 2020	1,039	500,000	7,071,216	-76,142	-4,438,331	3,057,782
Profit after tax reported in the income statement	-	-	-	-	1,172,733	1,172,733
Other comprehensive income after tax	-	-	-	-24,213	-	-24,213
Total comprehensive income	-	-	-	-24,213	1,172,733	1,148,520
Transactions reported directly in equity:						
Issue of warrants	-	-	43,120	-	-	43,120
Transaction costs warrants	-	-	-1,937	-	-	-1,937
Bonus issue	211	-	-	-	-211	-
Interest on Tier 1 capital	-	-	-	-	-35,755	-35,755
Total transactions reported directly in equity	211	-	41,183	-	-35,966	5,428
Equity carried forward 31 December 2020	1,250	500,000	7,112,399	-100,355	-3,301,564	4,211,729

SEK thousands	Share capital	Additional Tier 1 (AT1) capital	Other contributed capital	Other reserves ¹	Retained earnings including profit for the year	Total equity
Equity brought forward 1 January 2021	1,250	500,000	7,112,399	-100,355	-3,301,564	4,211,730
Profit after tax reported in the income statement	-	-	-	-	1,984,651	1,984,651
Other comprehensive income after tax	-	-	-	38,971	-	38,971
Total comprehensive income	-	-	-	38,971	1,984,651	2,023,622
Transactions reported directly in equity:						
Issue of Tier 1 capital ²	-	600,000	-	-	-	600,000
Transaction cost with issue of Tier 1 capital	-	-	-	-	-2,099	-2,099
Issue of warrants ³	-	-	13,523	-	-	13,523
Tax on transaction costs in connection with issue of Tier 1 capital	-	-	-	-	432	432
Interest on Tier 1 capital	-	-	-	-	-37,106	-37,106
Dividend	-	-	-	-	-820,000	-820,000
Total transactions reported directly in equity	-	600,000	13,523	-	-858,773	-245,250
Equity carried forward 31 December 2021	1,250	1,100,000	7,125,922	-61,384	-2,175,687	5,990,101

¹ See Note 32.

² Issue of Tier 1 capital of SEK 600 million. The bonds have an indefinite maturity, with the first redemption after five years and runs with interest of three-month Stibor + 3.9 percent. The bonds are listed on Nasdaq Stockholm.

³ The amount includes repurchase of warrants of 625 thousand.

Consolidated cash flow statement (direct method).

SEK thousands	Note	2021	2020
Current operations			
Provisions received		3,496,652	2,571,170
Provisions paid		-764,012	-571,691
Interest received		935,025	801,983
Interest paid		-276,684	-254,548
Net received from financial transactions		20,216	-39,684
Other operating payments		134,995	6,204
Dividend received		-	199
Payments to suppliers and employees		-1,106,178	-833,040
Income taxes paid		-350,439	-127,035
		2,089,575	1,553,558
Increase/decrease of assets of current operations			
Increase (-)/decrease (+) of lending to the general public		-5,808,453	-4,557,112
Increase (-)/decrease (+) of other assets		5,283,865	-5,078,752
Increase/decrease of liabilities of current operations			
Increase (+)/decrease (-) of deposits and borrowing among the general public		10,536,597	15,565,190
Increase (+)/decrease (-) of liabilities		1,510,609	4,415,638
Cash flow from current operations		13,612,193	11,898,522
Investing activities			
Acquisition of intangible assets	25	-121,509	-93,231
Acquisition of tangible assets	26	-46,108	-8,947
Investments in securities		-43,010,084	-20,515,337
Sales of securities		30,977,434	11,518,394
Cash flow from investing activities		-12,200,267	-9,099,121
Financing activities			
Issue of warrants		13,523	43,120
Amortization of leasing		-30,353	-20,947
Shareholders' contribution		600,000	-
Issue of Tier 1 capital		-820,000	-
Cash flow from financing activities		-236,830	22,173
Cash flow for the year		1,175,096	2,821,574
Cash and cash equivalents, January ¹		3,704,011	914,731
Exchange rate differences in cash and cash equivalents		15,506	-32,294
Cash and cash equivalents at year-end		4,894,613	3,704,011
Cash and cash equivalents include: ¹			
Cash and balances in Central Banks		4,249,838	3,100,458
Loans to credit institutions (bank deposits) ²	20	644,775	603,553
		4,894,613	3,704,011

¹ This amount includes blocked funds of SEK 377 million (319).

² Lending to credit institutions (bank deposits) includes only investments with a maturity less than 3 months.

Parent Company's income statement.

SEK thousands	Note	2021	2020
Net sales	37	17,519	21,555
Total operating income		17,519	21,555
Administrative expenses	38	-6,179	-85,647
Personnel costs	39	-13,207	-12,714
Other operating expenses		-2,455	-8,235
Total operating expenses		-21,841	-106,596
Operating profit		-4,322	-85,041
Result from financial investments			
Result from participations in Group companies	40	305,884	296,000
Interest expense and similar items		-836	-1,926
Result from financial investments		305,048	294,074
Profit after financial items		300,726	209,033
Tax on profit for the year	41	-265	-2,533
Profit for the period		300,461	206,500
Items that will be reversed to the income statement		-	-
Total other comprehensive income after tax		-	-
Total profit or loss and other comprehensive income		300,461	206,500

Parent Company's balance sheet.

SEK thousands	Note	2021	2020
Assets			
Fixed assets			
Financial fixed assets			
Shares in Group companies	42	2,409,153	1,989,101
Total fixed assets		2,409,153	1,989,101
Current assets			
Current receivables from Group companies		8,642	104,921
Current tax receivables		575	860
Other receivables	43	1,484	201,560
Prepaid expenses and accrued income	44	278	43,667
		10,979	351,008
Cash and cash equivalents		16,752	112,217
Current assets, total		27,731	463,225
Total assets		2,436,884	2,452,326
Equity	45		
Restricted equity			
Share capital		1,250	1,250
		1,250	1,250
Non-restricted equity			
Share premium reserve		6,646,779	6,633,256
Additional Tier 1 (AT1) capital		1,100,000	500,000
Retained earnings		-5,623,258	-4,970,985
Profit for the year		300,461	206,500
		2,423,982	2,368,771
Total equity		2,425,232	2,370,021
Liabilities			
Other liabilities	46	5,171	15,533
Accrued expenses and deferred income	47	6,481	66,772
Total liabilities		11,652	82,305
Total equity and liabilities		2,436,884	2,452,326

Parent Company's statement of changes in equity.

SEK thousands	Share capital	Share premium reserve	Additional Tier 1 (AT1) capital	Retained earnings	Profit for the year	Total
Equity brought forward 1 January 2020	1,039	6,590,136	500,000	-5,185,185	252,103	2,158,093
Reallocation of last year's profit	-	-	-	252,103	-252,103	-
Profit after tax reported in the income statement	-	-	-	-	206,500	206,500
Total comprehensive income				252,103	-45,603	206,500
Transactions reported directly in equity						
Bonus issue	211	-	-	-211	-	-
Issue of warrants	-	43,120	-	-	-	43,120
Transaction costs warrants	-	-	-	-1,937	-	-1,937
Interest on Tier 1 capital	-	-	-	-35,755	-	-35,755
Equity carried forward 31 December 2020	1,250	6,633,256	500,000	-4,970,985	206,500	2,370,021
Equity brought forward 1 January 2021	1,250	6,633,256	500,000	-4,970,985	206,500	2,370,021
Reallocation of last year's profit	-	-	-	206,500	-206,500	-
Profit after tax reported in the income statement	-	-	-	-	300,461	300,461
Total comprehensive income	-	-	-	-	300,461	300,461
Transactions reported directly in equity						
Issue of Tier 1 capital ¹	-	-	600,000	-	-	600,000
Issue of warrants	-	13,523	-	-	-	13,523
Transaction costs in connection with issue of Tier 1 capital	-	-	-	-1,667	-	-1,667
Interest on Tier 1 capital	-	-	-	-37,106	-	-37,106
Dividend	-	-	-	-820,000	-	-820,000
Equity carried forward 31 December 2021	1,250	6,646,779	1,100,000	-5,623,258	300,461	2,425,232

¹ Issue of SEK 600 million in Tier 1 capital. The bonds have an indefinite maturity, can be redeemed first on 16 November 2026 and mature with interest of three-month Stibor + 3.9 percent. The bonds are listed on Nasdaq Stockholm.

Parent Company's cash flow statement (direct method).

SEK thousands	Note	2021	2020
Cash flow from current operations			
Interest paid		-37,676	-37,506
Net received from financial transactions		-266	-175
Other operating payments		64,920	176,498
Payments to suppliers and employees		-95,198	-34,323
Cash flow from current operations before changes in working capital		-68,220	104,494
Cash flow from changes in working capital			
Increase (-)/decrease (+) of other receivables		296,355	-105,040
Increase (+)/decrease (-) of liabilities		2,909	367
Paid income taxes		20	-98
Cash flow from current operations		31,064	-277
Investing activities			
Investments in securities		-25	-
Cash flow from investing activities		194,120	-
		194,095	-
Financing activities			
Issue of Tier 1 capital		600,000	
Shareholders' contribution given		300,000	
Shareholders' contribution received		-600,000	
Issue of warrants		-624	
Cash flow from financing activities		-820,000	
		-320,624	43,120
Cash flow for the year		-95,465	42,843
Cash and cash equivalents, January 1		112,217	69,374
Cash and cash equivalents at year-end		16,752	112,217

Cash and cash equivalents refers to the company's bank accounts.



Notes.

Notes.

Note 1 Company information.

The consolidated accounts for Nordnet AB (Parent Company) for the financial year ending 31 December 2021 have been approved by the Board of Directors and CEO for publication on 18 March 2022 and will be presented for adoption by the Annual General Meeting on 28 April 2022. The registered office of the Parent Company, Nordnet AB (publ), is Alströmergatan 39, Box 30099, 104 25 Stockholm, Sweden. The Group offers financial services and products, primarily in savings and investments in its home markets of Sweden, Norway, Denmark and Finland. Since 25 November 2020, Nordnet AB's (Publ) shares have been listed on Nasdaq Stockholm. The operations are described further in the Board of Directors' Report.

Note 2 Basis for compilation of accounts.

Statement of compliance with applied regulations.

The financial statements and the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and interpretative statements from the IFRS Interpretations Committee as approved by the EU. Also applied are the Annual Accounts for Credit Institutions and Investment Firms Act (1995: 1559), the Swedish Financial Supervisory Authority's regulations and general guidelines on annual accounts in credit institutions and securities companies (FFFS 2008:25), including relevant amendment regulations and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups.

The Parent Company's Annual Report is prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and with application of the Swedish Financial Reporting Boards RFR 2 Accounting for legal entities. This entails the Parent Company applying the same accounting principles as the Group with the ex-

ceptions and additions set out in Swedish accounting legislation. IFRS valuation and rules of disclosure are applied with the exceptions and additions specified in the section concerning the Parent Company's accounting principles.

Reporting is based on different grounds of valuation. Financial assets and liabilities are measured at amortized cost, with the exception of certain financial assets and liabilities that are recognized at fair value. Non-monetary items are reported based on their historical cost. Pension provisions are reported based on the discounted value of future pension commitments. Assets and liabilities in the insurance business, where the policyholder bears the investment risk, are reported at fair value.

The accounting principles stated below were applied consistently in all periods presented in the financial statements, unless stated otherwise.

Note 3 New and amended standards.

New and amended standards as of 1 January 2021.

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

In August 2020, amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 were issued as a consequence of the reference interest rate reform – Phase 2. The amendments were adopted by the EU in January 2021 and are to be applied as of 1 January 2021 with premature application permitted. The changes refer to accounting issues arising when financial instruments referring to an IBOR interest rate are transferred to an alternative reference interest rate. The new rules include a practical solution for the modifications required by the reference interest rate reform, which can thus be handled without affecting profit.

In January 2021, the Swedish central bank commenced

a test period of (at least) six months, during which it would publish a preliminary SWESTR (Swedish krona Short Term Rate) on each banking day. Following the conclusion of the test period, the Riksbank began publishing SWESTR on 1 October 2021. Alongside EURIBOR, Nordic IBORS such as STIBOR, NIBOR and CIBOR, are expected to become available within the foreseeable future. Alternative, so-called risk-free interest rates are currently also being published for EUR (€STR) and NOK (NOWA). The Danish central bank will commence publication of DESTR in April 2022.

A review is in progress within Nordnet regarding the handling of the transition to new benchmark interest rates. The review is focused on the liquidity portfolio as no products are linked to benchmark interest rates, except Nordnet's own bonds, which are listed on Nasdaq and mature with STIBOR interest. Questions partly concern practical aspects in systems, but also risk and return issues associated with the actual transition for investments previously quoted at one reference rate and that are then transferred to another. To be able to handle the new reference rates, an update of Nordnet's treasury system is planned for 2022.

The amendments to IFRS 7 and IFRS 9 have not had any significant impact on Nordnet's financial statements. Nordnet continues to assess the impact of the IBOR reform. Alongside EURIBOR, Nordic IBORS, such as STIBOR, NIBOR and CIBOR, are expected to become available within the foreseeable future and Nordnet does not therefore expect work on the transition to risk-free interest rates to affect profit in the liquidity portfolio in the near future. The long-term effect on the portfolio is currently difficult to estimate.

Standards that will come into force in 2022 and beyond.

In preparing the consolidated financial statements, standards and interpretations are applied that are published by the International Accounting Standards Board (IASB).

The following is a preliminary assessment of the impact that the introduction of these standards and interpretations may have on the Group's financial reports.

IFRS 17 Insurance Contracts and

IFRS 4 Insurance Contracts

The standard will replace IFRS 4 Insurance Contracts and aims at creating a uniform method of accounting for

all types of insurance contracts, a higher degree of transparency of insurance companies' earnings and increased

comparability between companies and countries. IFRS 17 was published in May 2017, updated in June 2020, and applied from 1 January 2023.

IFRS 17 establishes principles for the accounting, presentation, measurement and disclosure of insurance contracts. Exempted from the new standard are investment agreements with the legal form of an insurance contract but where no significant insurance risk is transferred to the insurance company. Nordnet's assessment is that Nordnet's insurance contracts do not contain significant insurance risk, meaning that they are classified as investment contracts and will be reported in accordance with IFRS 9. Accordingly, IFRS 17 will not have any significant impact on Nordnet's financial statements.

Note 4 Critical accounting estimates and assumptions.

Establishing financial reporting in accordance with IFRS requires that management conduct assessments and estimates as well as make assumptions that affect the application of the accounting principles and the reported amounts of both assets and liabilities on the balance sheet date, as well as income and expenses in the reporting period. Estimates and assumptions are based on historical experience and a number of other factors that seem reasonable under current conditions. The result of these estimates and assumptions is then used to assess the reported values of assets and liabilities that are not otherwise clearly stated from other sources. Estimates and assumptions are reviewed regularly. Actual outcomes may deviate from these estimates and assessments.

Described below are the areas where the risk of changes in value over the ensuing year is greatest given that the assumptions or estimates may need amending.

Financial instruments.

In determining the fair value of the Group's financial instruments, different methods are used depending on the degree to which data and market activity can be observed. Primarily, prices quoted in active markets are used. In the absence of quoted prices, valuation models are used instead. Management assesses when the markets are considered inactive and a valuation model should be used. An active market is considered either a regulated or reliable trading venue where quoted prices are easily accessible with regularity. As some of these criteria are not met, the market is considered inactive. Management then makes an assessment of which valuation model is considered most relevant for the individual instrument. The starting point is that if quoted prices from as similar financial instruments as possible are not available, the market is considered inactive and when such prices or components of prices cannot be identified, management is required to make its own assumptions.

Note 33 accounts for financial instruments measured at fair value and divided into three different valuation levels. As of 31 December 2021, the value of financial instruments measured applying the company's own assumptions amounted to SEK 4,445,934 thousand, of which SEK 727 thousand pertained to Nordnet Bank's holdings of unlisted shares. The valuation models applied are generally accepted and are subject to independent risk control.

Credit losses.

Methods and models for calculating and reporting expected credit losses include assumptions, methods and input data that involve a high degree of assessment. The Group uses both quantitative and qualitative indicators to assess a significant increase in credit risk. Forward-looking information is included in the assessment of a significant increase in credit risk. From analyses of historical data, macroeconomic factors are identified that affect credit risk and credit losses. These analyses take into account internal and external information and are consistent with the forward-looking information used for other purposes such as financial planning and forecasting. For more information on the assessments made as of 31 December 2021, see Note 21.

Impairment testing of goodwill.

The value of recognized goodwill is tested at least once a year to determine whether the asset may be impaired. The test requires an assessment to identify the cash-generating units as well as an assessment of the value in use of the cash-generating unit to which the goodwill value is attributable. This in turn requires the anticipated future cash flow from the cash generating unit to be estimated and a relevant discount rate to be established for calculation of the present value of the cash flow. For more information, see Note 5 Accounting principles and Note 7 Risks.

Prepaid acquisition expenses.

When determining the rate at which reported prepaid acquisition expenses are to be depreciated, an assumption is made about, among other things, the expected repurchase and mortality rates. In addition, the assessment of the fees charged on mutual fund insurance affects the assessment of possible impairment. At the end of the year, the consolidated carrying amount for prepaid acquisition expenses amounted to SEK 63,961 thousand (27,477).

Note 5 Accounting principles applied.

Consolidated financial statements.

The consolidated accounts comprise the Parent Company and its subsidiaries where controlling influence is held. The financial reports of the Parent Company and subsidiaries included in the consolidated accounts relate to the same period and have been compiled in accordance with the accounting principles applicable to the Group. The Parent Company has controlling influence when it has the influence and ability to exert its influence over the other company's relevant operations and is exposed to variable returns and has the ability to use its influence to affect returns. Controlling influence exists when the Parent Company directly, or indirectly through subsidiaries, holds over half of the voting rights in a company. A subsidiary is included in the consolidated accounts from the time of acquisition, which is the date on which the Parent Company takes on controlling influence and is included in the consolidated accounts until the date on which the controlling interest ceases. The acquisition method entails that acquired identifiable assets, liabilities and contingent liabilities that meet the accounting conditions are reported and valued at fair value at the acquisition date. A surplus between the acquisition value and the business combination and the fair value of the acquired participation is reported as goodwill. If the amount is less than fair value, the difference is recognized directly in the income statement in other income. Acquisition-related expenses are expensed as they are incurred. No provisions are made for expenses for planned restructuring measures resulting from the acquisition.

A subsidiary's contribution to equity consists solely of the capital that is acquired between date of acquisition and date of disposal. All intra-Group dealings that arise in transactions between companies included in the consolidated accounts are eliminated in their entirety.

Translation of foreign currency.

The consolidated accounts are presented in Swedish kronor (SEK), which is the functional currency and reporting currency of the Parent Company. Each subsidiary and branch in the Group determines its functional currency based on its primary economic environment. Transactions in foreign currencies are reported after translation using the exchange rate on the transaction

date. Monetary assets and liabilities in foreign currency are converted into functional currency at the exchange rate on the balance sheet date. All exchange rate differences are reported in the income statement. Non-monetary items in foreign currency that are valued at their historical cost are valued in the functional currency, using the exchange rate at the time of the original transaction.

Assets and liabilities in subsidiaries and affiliates with a functional currency other than SEK are translated into the reporting currency at the exchange rate on the balance sheet date. For recalculation of the income statement, an average price for the period is usually used for practical reasons. Translation differences that occur are reported in other comprehensive income.

Income recognition.

Commission income and commission expenses (net commission income)

Income from contracts with customers is reported as commission income, comprising compensation for service assignments performed. Commission income is reported when the performance commitment has been met, which is when the control of the product or service is transferred to the customer, who is thus able to use the service. The customer is the party who enters into a contract with Nordnet to receive the services offered by the ordinary operations. The income reflects the compensation expected to be received in exchange for these services. In the case of variable remuneration, such as discounts deducted or performance-based compensation, income is reported when it is probable that no repayment will be made. The overall compensation is broken down by the individual services and is determined by whether the services are fulfilled at a specific point in time or over time. Service assignments refer primarily to brokerage and commissions. Brokerage is reported as income on the transaction date. In part, commissions are charged on securities brokerage in connection with securities being issued, sales of structured products and guaranteed issues. These commissions are reported as income on completion of the transaction. Commissions from the fund operations are made up partly of entry commissions, which are recognized as income in connection with fund purchases, and partly of commissions based on fund volume, which are recognized monthly as income on the basis

of actual volume.

Commission expenses are transaction-dependent and are usually directly related to transactions reported as income within commission income. Commission expenses consist of expenses for services received, insofar as they are not considered to be interest, which primarily comprise expenses to stock exchanges, clearing houses and sharing to partners in connection with the purchase and sale of securities. Commission expenses for fund management operations comprise management fees consisting of fixed expenses and expenses based on actual volumes, which are recognized monthly.

Other operating income

Other operating income relates to income from agreements with customers regarding, for example, custodial services, information services, software and service and support fees from partners. Other operating income also includes issue-related income, as well as capital gains on divestment of tangible assets.

Interest income and interest expenses (net interest income)

Interest income on receivables and interest expenses on liabilities are calculated and recognized using the effective interest rate method. The effective interest rate is the interest rate that discounts all estimated future inflows and outflows over the anticipated fixed-interest term to the reported gross value of the receivable or liability, resulting in a steady return over the term of the loan. The calculation includes transaction costs, premiums or discounts and fees paid or received that form an integral part of the return. An exception to the above consists of financial assets measured at amortized cost and that were recognized as impaired following initial recognition (Stage 3 financial assets). For these, interest income is calculated by applying the effective interest rate to the reported gross value less reserves for credit losses. Where such financial assets are no longer recognized as impaired, interest income is again calculated based on the recognized gross value.

Interest expenses on deposits from credit institutions and the general public are recognized as an expense when processed, which means that interest expenses

are distributed over the period to which they relate. Interest expenses also include expenses for the deposit guarantee and the resolution fee, which are booked in accordance with the same principle.

Net profit from financial transactions

Recognized under this item are dividends received and exchange rate fluctuations. Net income from financial transactions also includes capital gains from interest-bearing securities and from the divestment of participations in subsidiaries and associated companies.

Financial instruments.

Accounting, cancellation and modification

A financial asset or financial liability is reported on the transaction date, when Nordnet becomes a party in accordance with the contractual terms of the instrument, in addition to financial assets classified as measured at amortized cost, which are reported on the settlement date. Financial assets reported in the balance sheet include, on the asset side, cash and bank balances at central banks, sovereign bonds eligible as collateral, etc. Assets where the customer bears the investment risk, lending, bonds and other interest-bearing securities, shares and participations, and accrued income. On the liability side are Deposits, Liabilities for which the customer bears the investment risk and Accrued expenses. Currency derivatives are reported as either assets or liabilities, depending on whether the fair value is positive or negative.

When a financial instrument is reported for the first time, it is valued at fair value plus, regarding financial liability not belonging to the category of financial assets or liabilities valued at fair value through the income statement, transaction expenses directly attributable to the acquisition or issue of the financial instrument. When valuing a financial instrument after initial recognition, the financial asset is recognized according to the valuation category of the financial instrument.

A financial asset is de-recognized from the balance sheet once the obligations in the contract have been realized, have matured, been transferred to a third party or if the company has lost control of it. Financial liabilities are de-recognized when the liability has been terminated by the completion, cancellation or termi-

nation of the agreement. The same applies to parts of financial assets and financial liabilities.

When modifying a loan, an assessment is made as to whether this would cause it to be removed from the balance sheet. A loan is considered to be modified when the terms governing the cash flows of the loan change compared to the original agreement. Examples include deferrals, changed market conditions, measures to retain the customer and other factors unrelated to a borrower's deteriorating creditworthiness. Modified loans are removed from the balance sheet and a new loan is reported when the existing loan is terminated, with a new agreement being entered into on significantly different terms, or when the terms of an existing agreement are significantly modified. If the terms are modified due to the borrower experiencing financial difficulties, the modification is analyzed according to the usual modification principles. If insignificant, the loan is not removed from the balance sheet. The loan is instead classified as having an increased credit risk in accordance with IFRS 9.

Offsetting

Financial assets and financial liabilities are recognized in the balance sheet on a net basis when there is a legally enforceable right to offset the carrying amounts and if the intention is to settle on a net basis or to simultaneously realize the asset and settle the liability.

Repurchase agreements

A repurchase agreement (repo) refers to an agreement in which the parties agree on a sale of securities, as well as a subsequent repurchase of equivalent assets at a predetermined price. A security that is sold is reported in the balance sheet as the Group is exposed to the risk of changes in the value of the security over the term of the transaction. Payments received on sales of securities are reported as financial liabilities based on the counterparty. Securities that are sold are reported under the item Assets pledged for own liabilities. Payments disbursed for acquisitions of securities, referred to as reverse repurchases, are reported as lending to the vendor. Securities submitted in accordance with repurchase agreements are also reported. Cash and cash equivalents received under a buy-back agreement are recognized in the balance sheet as "Liabilities to credit institutions".

Margin loans

Margin loans comprise secured lending or borrowing of securities. A security that is loaned is reported in the balance sheet as the Group is exposed to the risk of changes in the value of the security. Loaned securities are reported as a pledged deposit on the transaction date, while borrowed securities are not recognized as assets. Loaned securities are measured in the same way as other securities of the same type. On divesting borrowed securities (short-selling), an amount corresponding to the fair value of the securities is booked under Other liabilities. For on-lent securities, Nordnet receives collateral, while it pays collateral for borrowed securities. Collateral is provided and received at a surplus value of at least 5 percent.

Recognition and measurement.

Financial assets are classified in one of the following categories: measured at fair value through the income statement, fair value through other comprehensive income, and at amortized cost based on the company's business model for the management of financial assets and on the contractual terms of the assets. The classification also depends on whether the instrument is a debt instrument, an equity instrument or a derivative. In the income statement, financial liabilities are classified as measured either at amortized cost or at fair value.

The business model reflects how the Group manages portfolios of financial assets to generate cash flows. On determining the business model for a group of financial assets, factors are taken into account, including previous experience of how cash flows were obtained, how the performance of the financial assets are assessed and reported to management, how risks are assessed and managed and how compensation is linked to performance. The terms of the agreement form the basis for identifying whether the cash flows solely represent payments of principal and interest. Capital amounts are defined as the fair value of the debt instrument on the initial reporting date, which can change over the term if repayments are made or if interest is capitalized. Interest is defined as compensation for the time value of money and the credit risk, plus a profit margin compatible with a basic lending arrangement. Where contractual terms involve exposure to other risks or volatility, this entails the cash flows not meeting the criteria for solely representing payments of principal and interest.

Financial assets valued at amortized cost

Financial assets held within the framework of a business model, the objective of which is to hold financial assets for the purpose of receiving contractual cash flows comprising only payments of capital and interest on the outstanding capital amount, are measured at amortized cost.

On the initial reporting date, assets in this category are reported at fair value plus transaction costs. On subsequent assessment, they are measured at amortized cost in accordance with the effective interest rate method. The effective interest rate corresponds to the interest rate applied in discounting the future contractual cash flows to the carrying amount of the financial asset or liability.

Financial liabilities measured at fair value via other comprehensive income

Financial assets under management within the framework of a business model, the objective of which is to collect contractual cash flows comprising only capital and interest, either through holdings or sales, are valued at fair value through other comprehensive income.

On the initial reporting date, these assets are reported at fair value plus transaction costs. On subsequent assessment, they are measured at fair value, with unrealized changes in value being included in other comprehensive income, which are accrued against a fair value reserve in shareholders' equity. The changes in fair value are transferred from other comprehensive income to the net result of financial transactions in the income statement on realizing the asset. Impairment is reported in the income statement under the heading Net result of financial transactions and as a change in the fair value reserve in shareholders' equity through other comprehensive income. Changes in value attributable to exchange rate fluctuations are reported directly in the income statement.

Financial liabilities valued at fair value via the income statement

The category consists of financial assets initially identified as valued at fair value through profit or loss to eliminate inconsistencies in valuation and accounting. The category also includes equity instruments and derivatives not used in hedge accounting. The classification also includes debt instruments held under another

business model – not only to receive contractual cash flows. These include debt instruments held for trading or under management and the results of which are assessed on the basis of their fair value, as well as debt instruments for which the contractual cash flows do not only comprise payments of capital and interest. Assets in this category are measured both initially and subsequently at fair value. Transaction expenses are recognized in the income statement. Fair value is determined based on prices quoted in active markets. In the absence of these, generally accepted valuation models are used, which are based on observable market data, such as prices quoted in active markets for similar instruments or prices quoted for identical instruments in inactive markets. Changes in fair value are reported within the net result of financial transactions, as are changes in value due to exchange rate fluctuations.

Financial liabilities measured at amortized cost.

Financial liabilities valued at amortized cost include those not measured at fair value through profit or loss. These are reported at fair value on the transaction date, which is normally the borrowed amount, and on subsequent measurement at amortized cost in accordance with the effective interest method. The valuation is performed analogously to that applied for financial assets at amortized cost, but without adjustment for credit loss provisions.

Financial liabilities measured at fair value in the income statement

The category of financial liabilities measured at fair value through profit or loss consists of financial liabilities held for trade and financial liabilities that the Group has chosen to transfer to this category on initial reporting, in accordance with the so-called fair value option.

Liabilities in this category are measured both initially and subsequently at fair value. Determining fair value and reporting gains and losses is performed analogously to financial assets measured at fair value through profit or loss. Changes in fair value are reported in the income statement under Net income from financial transactions, with the exception of changes in fair value due to changes in the Group's own credit risk. Such changes in financial liabilities valued at fair value are otherwise presented in comprehensive income without subsequent reclassification to profit.

Reclassification of financial assets and liabilities

Financial assets are only reclassified if the business model for the financial assets changes, which is expected to be highly uncommon. Financial liabilities are never reclassified.

Credit losses.

Provisions for credit losses are reported for financial assets measured at fair value via comprehensive income and measures at amortized cost, as well as for irrevocable loan commitments and contractual assets. The accounting builds on a model of whether credit risk has increased significantly compared with the initial accounting date. The provision comprises a probability-weighted amount that takes into account all reasonable and verifiable information that is available without undue expense or effort.

- Stage 1 – financial instruments for which no significant increase in credit risk has occurred since the first reporting occasion and counterparties covered by the Group's definition of low credit risk.
- Stage 2 – financial instruments for which a significant increase in credit risk has occurred since the first reporting occasion but for which there is no objective evidence that the receivable is doubtful.
- Stage 3 – financial instruments for which objective evidence has been identified that the receivable is doubtful.

For financial instruments at Stage 1, the reservation corresponds to the credit loss expected within 12 months. At Stage 2, as well as at Stage 3, the reservation corresponds to the total expected credit losses over the remaining maturity of the instrument.

Measurement

Expected credit losses are calculated as the discounted product of the probability of default (PD), exposure at default (EAD) and loss at default (LGD). PD corresponds to the probability of a borrower defaulting at any given time during the remaining term. EAD corresponds to the expected exposure at the time of default after taking contractual payments into account. LGD corresponds to the loss expected on a defaulted exposure, taking counterparty characteristics, collateral and type of product into account.

For margin lending, a loss rate model is used in which the loss rate corresponds to PD and LGD combined.

PD, LGD and EAD are calculated monthly up until the end of the expected term. The expected credit losses are then discounted at the original loan rate. A summary of the expected credit losses up to and including the end of the expected term the yields credit losses expected over the remaining term of the asset. The sum of the credit losses expected to occur within 12 months yields the expected credit losses for the next 12 months.

The calculation takes into account three scenarios (base, positive and negative) reflecting relevant macroeconomic factors, such as GDP, housing prices and unemployment. The risk parameters used to calculate expected credit losses incorporate the effects of macroeconomic forecasts. A probability is allocated for each scenario and the expected credit losses are obtained as a weighted average probability.

For credit exposures where the bank considers it unlikely that the debtor will meet its credit obligations, the credit risk is assessed individually, without the use of input data from models.

Significant increases in credit risk

Changes in credit risk are assessed through a combination

of individual and collective data and will reflect the increase in credit risk at the level of the individual instrument as far as possible. The calculated credit risk at the individual level partly comprises historical data, such as payment history, and forward-looking information where macroeconomic factors are taken into account.

Qualitative indicators will also be taken into account, for example when the borrower has past-due unpaid amounts older than 30 days or has been granted an extension.

An instrument is no longer considered exposed to a significantly increased credit risk when none of the indicators are met any longer.

Default and doubtful receivables

Default is defined in accordance with the Group's Credit Policy as a combination of both quantitative and qualitative factors.

An instrument is no longer considered in default or

uncertain when all past-due amounts have been repaid, sufficient evidence shows that the risk of future cash flow payments not being made has decreased significantly and that there are no other indicators of default.

See also the definition of default for each product under Note 7 and credit loss provisions in Note 21.

Expected maturity

In general, the expected term is limited to the maximum contract period in which the Group is exposed to credit risks, even if a longer period agrees with business practices. All contract terms are taken into account when determining the expected term, including repayment, as well as binding extension and transfer options.

The credit provision models apply an expected term that may be shorter than the maximum contract period. The expected maturity is based on historical actual maturity and assumptions regarding expected additional repayments and early repayments of loans.

Modification

When a loan is modified but not removed from the balance sheet, an assessment is made of significant increases in credit risk compared with the original credit risk calculated for purposes of impairment. Modifications do not automatically result in reduced credit risk and all qualitative and quantitative indicators will continue to be assessed. Furthermore, a modification gain or loss will be reported in the income statement regarding the difference in the present value of the contractual cash flows discounted at the original effective interest rate.

When a loan is modified and removed from the balance sheet, the date when the modification was made is considered to be the first reporting date for the new loan for the purpose of assessing impairment, including the assessment of significant increases in credit risk.

Presentation

Provisions for credit losses for financial assets measured at amortized cost, are presented as a reduction of the reported gross value of the asset. Provisions for loan commitments are reported as a liability under Other liabilities.

In the income statement, provisions and write-offs are presented under Credit losses, net. Write-offs are applied once the loss has been conclusively determined. Repayments of write-offs and provision reversals are both recognized as income on the same line.

Hedge accounting.

The Group uses various types of derivative instruments to hedge the risks for interest rate and exchange rate exposures to which the Group is exposed. In accordance with IFRS 9 Financial Instruments, the Group does not, at present, apply hedge accounting. Derivatives not included in a hedging relationship are reported at fair value via the income statement.

Tangible assets.

Tangible assets are recognized in the balance sheet if the company is likely to derive future economic benefits from them and the acquisition value of the assets can be reliably estimated. The asset is reported at cost less accumulated amortization and impairment. Depreciation is made on a straight-line basis over the estimated useful life of the asset. On each reporting occasion, the company assesses whether there are any indications of impairment. If it is necessary to recognize impairment, the recoverable amount of the asset is calculated and if the recoverable amount is less than the carrying amount, impairment is recognized.

The tangible asset is de-recognized from the balance sheet upon scrapping or disposal, or when no future economic benefits are expected to remain. Profit and loss is determined by the difference between sales income and the asset's carrying amount.

Fixtures and fittings, computers and other hardware are normally written off after three to four years. Improvement charges for third-party property are depreciated on a straight-line basis over the remaining term of the rental contract or the useful life of the improvements, whichever is shorter.

Tangible fixed assets with right-of-use – leases

For all leases where the Group functions as a lessee, a right-of-use asset and a lease liability are reported in the balance sheet from the date on which the leased asset is available for use by the Group. Lease liabilities are calculated at the present value of future lease payments, discounted applying the marginal loan rate, and are initially reported at their estimated present value. In subsequent periods, lease liabilities are reported by increasing the liability to reflect the effect of interest and reducing it to reflect the effect of the lease fees that have been paid.

The right-of-use asset is initially reported at a value corresponding to the lease liability, adjusted for any prepaid or accrued lease fees. In subsequent periods, the right-of-use asset is reported at cost less depreciation and impairment.

Lease fees included in measurements of lease liabilities include the following:

- fixed fees (including fees that are, by and large, fixed), following deduction of any benefits in connection with the signing of the lease,
- lease fees that vary according to index or price, measured initially as per the commencement date,
- amounts expected to be paid by the lessee under residual value guarantees,
- the exercise price for an option to purchase if it is reasonably certain that the option will be exercised, and
- fees in connection with termination, if the lease period reflects the lessee making use of an opportunity to terminate the lease agreement.

Variable lease fees not attributable to an index or price are not included in the measurement of lease liabilities and right-of-use assets but are reported as an expense under operating profit during the period in which they are incurred.

Contracts of a shorter duration than 12 months or where the underlying asset is of low value are expensed on a straight-line basis. Agreements of lesser value include those for IT equipment and smaller items of office furniture. These contracts are recognized as an expense directly in the income statement. All leases include a rental period and terms for extension.

In the consolidated balance sheet, right-of-use assets are reported as Tangible fixed assets and interest-bearing lease liabilities are presented under Other liabilities. In the income statement, an expense is recognized for the depreciation of the leased asset and an interest expense for the financial liability. Interest expenses are allocated across the lease period such that each reporting period is burdened with an amount corresponding to a fixed interest rate for the liability reported for each period. Where a lease transfers ownership at the end of the lease period or where the cost includes the probable exercise of an option to purchase, the right-of-use asset is amortized over the useful life. Depreciation is applied as of the commencement date of the lease. In

the cash flow statement, the lease payments are divided between interest paid in the operating activities and repayment of lease liabilities in financing activities.

The Group's leases primarily involve leases for premises and cars. Contracts for leased cars extend over three years. If the contracts lack stipulated maturities, a maturity of five years is assumed for local contracts and three years for leased cars.

Lease income from operational leases where the Group is the lessor is reported as income on a straight-line basis over the lease period. Initial direct expenses incurred on signing the lease agreement are added to the asset's carrying amount and expensed over the lease period on the same grounds as the lease income.

The Group has signed a subletting contract for part of a premises. Contracts are classified as an operational lease agreement and run for six months. The contract has been terminated and expires in March 2022.

Intangible assets.

Intangible assets are recognized as assets in the balance sheet if the company is likely to derive future economic benefits from them and the cost of the asset can be reliably estimated. An intangible asset is valued at its acquisition value when it is initially recognized in the balance sheet. After its initial recognition, an intangible asset is included in the balance sheet at its acquisition value less any accumulated depreciation and accumulated impairment. The useful life of intangible assets is estimated to be either determinable or indeterminable. Intangible assets with a determinable useful life are depreciated on a straight-line basis over their useful life. The residual value and useful life of intangible assets are reviewed, irrespective of whether there is any indication of depreciation, at the end of every financial year as a minimum, at which point the amortization period is adjusted and/or impairment recognized. Also intangible assets, which are not yet available for use, are tested for impairment on an annual basis, even if there is no indication of an impairment loss.

Goodwill

Goodwill arising in a business combination is recognized as the acquisition value on the acquisition date. Goodwill constitutes the part of the acquisition value that exceeds the net fair value of the acquired participation, of the acquired entity's identifiable assets, liabilities

and contingent liabilities. After its initial recognition, any goodwill that has arisen is valued at the acquisition value less any accumulated impairments.

Brands

Brands acquired separately are reported at cost. Brands acquired in a business combination are recognized at fair value on the acquisition date. All brands deemed to have limited useful lives are depreciated on a straight-line basis over their useful life, estimated at between one and five years.

Customer relations

The cost of customer relations is recognized at estimated fair value on the acquisition date. Customer relations have a limited useful life and are recognized at cost less accumulated amortization and impairment. Depreciation is on a straight-line basis over the useful life of the asset, which varies between five and twenty years.

Capitalized expenditure for development work

Balanced development expenses relate mainly to the development of trading systems and other applications, as well as externally purchased services, which are expected to provide future financial benefits through either increased income or cost savings. Capitalized development expenses are initially recognized at cost and subsequently at cost less accumulated amortization and impairments. Depreciation occurs after the asset is completed, on a straight-line basis over the assessed useful life, which varies between three to seven years.

Impairment testing of tangible and intangible assets.

At each reporting date, an assessment is made of whether there are indications that assets may have decreased in value. If this is the case, an estimate is made of the asset's recoverable amount. For goodwill with an indefinite useful life, the recoverable amount is calculated at least annually. The recoverable amount of an asset is the fair value minus sales expenses for an asset or cash-generating unit and its value in use, whichever is greater. If the carrying amount exceeds the recoverable amount, impairment is made to the recoverable amount. In calculating the recoverable amount, future cash flows are estimated which are discounted at present value with a discount rate before tax which takes into account market assessments of the time value of

money and the risks related to the specific asset. For an asset that does not generate cash flows, the recoverable amount of the cash-generating unit is calculated to which the asset belongs. Impairment is recognized in the income statement separately for tangible and intangible assets.

At each reporting date, an assessment is made of whether there are indications that a previous impairment, complete or partial, is not longer justified. If there are any such indications, the recoverable amount of the asset is calculated. A previous impairment is reversed only if there has been a change in the assumptions used to assess the asset's recoverable amount when the impairment was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. This increase is recognized in the income statement as a reversal of an impairment loss. Impairment of goodwill is never reversed. Impairment is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the carrying amount that the asset would have had, less depreciation, if no impairment was recognized. A reversal is recognized in the income statement. Once an impairment loss has been reversed, future depreciation is adjusted to allocate the assets revised carrying amount, less any residual value, over its remaining useful life.

Insurance operations.

Nordnet's products in the insurance business

Within the framework of the Swedish insurance company, Nordnet Pensionsförsäkring, private pension insurance, endowment insurance and occupational pension insurance are offered. For occupational pension agreements, risk benefits (such as health insurance, premium exemption and survivors' pension) are offered in collaboration with another insurer. The Swedish company also offers the product capital pension, which is closed for new subscriptions.

In the Norwegian market, Nordnet Livsforsikring offers savings insurance in the form of "Investment Account Zero", which is an endowment insurance, and "IPA", which is a private pension insurance. In February 2021, Nordnet Livsforsikring also launched "Own pension account", which is an occupational pension insurance for those working in the private sector. The offer also entails that customers can transfer savings capital from previous private sector employers, to Nordnet ("pen-

sion capital certificate").

At Nordnet, savings insurance is offered as mutual fund or custodial account insurance, meaning that policyholders choose their own investments and that the insurance has no guaranteed capital. Instead, the value of the insurance is entirely dependent on the value of the investments made by the policyholder.

Within the framework of endowment insurance, and in the Swedish market also for private pension insurance and occupational pension insurance, Nordnet's insurance customers are offered a stock lending program offering Nordnet customers an opportunity for additional returns on their share investments.

All products offered by Nordnet include repayment protection that the policyholder can opt out of in certain cases. Repayment protection means that the insurance capital is repaid to one or more beneficiaries in the event that the policyholder dies.

For endowment insurance, repayment protection is mandatory and is normally taken out with a risk amount of 1 percent of the value of the insurance. If the policyholder dies, 101 percent of the insurance capital is paid to survivors. For repayment protection in excess of 100 percent, a risk premium is paid as a proportion of the insurance capital. In cases where endowment insurance is taken out with repayment protection of 99 percent, 99 percent of the insurance capital is paid to survivors if the policyholder dies. For private pension insurance and occupational pension insurance, respectively, the repayment protection is 100 percent of the value of the insurance. For some insurance products, the terms may allow the policyholder to opt out of the repayment protection. For that part of the insurance capital that is not protected by repayment protection, "inheritance gain" is paid. Inheritance gain is a risk compensation that reimburses the policyholder because he risks the insurance capital accruing to Nordnet in the event that the policyholder dies.

Division of deposit components

According to IFRS 4, insurance contracts can contain both deposit and insurance components. According to the standard's rules on the division of deposit components, insurers must in some cases report these parts separately, while in other cases the insurer may elect to do so. In addition to a deposit component, the Occu-

pational pension product also includes one or more risk insurance components such as health insurance, premium exemption, death benefit and survivors' pension. The Group reports these insurance risk components separately from the deposit component. The deposit component is a financial instrument that does not involve any significant insurance risk being transferred from the policyholder to the insurer, as the value of payments from this is entirely dependent on the investments chosen by the insured party, or in some cases the policyholder, and is reported in accordance with IFRS 9. However, the insurance components mean that an insurance risk is transferred and reported and valued in accordance with the Annual Accounts Act for Insurance Companies and the Swedish Financial Supervisory Authority's regulations.

Recognition and Measurement

Assets in the insurance business comprise the policyholders' investments in securities and cash and cash equivalents. The assets relating to the mutual fund and custodial insurance plans are reported as assets where the customer bears the investment risk in the balance sheet, since it is the Group that legally owns the underlying assets in these insurance plans. Corresponding commitments are reported on the liability side of the balance sheet as liabilities where the customer bears the investment risk. The provision for these commitments is directly related to the development in value of the underlying securities, deposits and withdrawals. The underlying assets are reported at fair value through profit or loss and the associated liabilities are identified to be measured at fair value through the income statement in accordance with the fair value option. Application of the fair value option has been chosen to eliminate inconsistencies in the accounting. Accordingly, the fair value of the financial liabilities is determined with the help of the fair value of the financial assets to which the financial liabilities are attributable on the balance sheet date.

Insurance-related liabilities, that is, insurance technical provisions, are divided into mutual fund insurance commitments, conditional bonuses, life insurance provisions for guaranteed commitments and provisions for outstanding claims. Provisions for mutual fund insurance commitments mainly consist of the technical redemption value, which corresponds to the value of all investment fund holdings on mutual fund insurance plans, including cash and cash equivalents, in securi-

ties deposits calculated at market value, adjusted for accrued fees and risk premiums. Conditional bonuses corresponds to the value of all securities holdings in custodial insurance plans, including cash and cash equivalents, in securities deposits calculated at market value, adjusted by accrued fees and risk premiums and reduced by the insurance technical provision of a possible guaranteed commitment (life insurance provision). The life insurance provision for the guaranteed commitment, which can be determined for traditional insurance at the time of updating, corresponds to the sum of the guaranteed monthly amounts at any given time. Provisions for unsettled claims are calculated for deaths that have occurred but that are yet to be reported to the company. The provision is calculated on an actuarial basis and recognized as outstanding claims. Life insurance provisions and provisions for unsettled debts make up a very small part of the total insurance technical provisions

Income recognition.

Amounts received from and paid to policyholders are reported in the balance sheet as Assets where the customer bears the investment risk or Liabilities where the customer bears the investment risk. Management fees for investment agreements are recognized as income distributed evenly across the terms of the agreements.

Recognition of expenses

Expenses for insurance contracts are expensed as they are incurred, with the exception of commissions and other variable costs relating to new contracts which are capitalized as prepaid acquisition expenses.

Additional charges for obtaining an agreement with a customer are recognized as an asset in the balance sheet if they can be expected to be recovered. These comprise direct charges for securing agreements with customers that the Group would not have incurred had the agreements not been secured, such as sales commissions for securing investment agreements. The charges are largely variable. They are expected to be recouped through the commission income earned through the investment agreements. Prepaid acquisition expenses are accrued and expensed over a period of ten years as the related income is recognized. The assets are tested for impairment on each closing date to ensure that the anticipated future economic benefits of the contracts exceed their carrying amount. All other expenses, including fixed acquisition expenses and

ongoing administrative expenses, such as commissions to proprietary personnel acting as salespeople, and ongoing administrative expenses paid over the terms of the investment agreements, are recognized during the accounting period in which they are incurred.

Margin loans

Loans are provided against collateral equivalent to 105 percent of the loaned value. The stock lending program does not affect the policyholder's investment rights within the insurance scheme.

The risks and returns on loaned securities remain within the Group and are recognized in accordance with IFRS 9. The securities are taken up in their entirety under the item "assets where the customer bears the investment risk", with an equivalent amount under the item "liabilities where the customer bears the investment risk". In the event that on-lent securities cannot be returned due to the borrower's insolvency, received collateral is used to repurchase on-lent securities. If the security is insufficient, there is a risk that the company will incur an expense to repurchase the security.

The income is classified as an interest income and the compensation to the customer as an interest expense. As of 31 December 2021, on-lent securities amounted to SEK 2,260 million and, as of the same date, we have received collateral of SEK 2,426 million.

Employee benefits.

Short-term employee benefits

Short-term benefits include salaries, social security contributions, paid short-term leave, performance-related pay and certain types of non-monetary benefits are recognized in the income statement in the period in which the employee performed the service for the Group. Short-term benefit entails that the amount is due for payment within twelve months after the end of the period during which the employee has performed the services. A provision for performance-related pay is reported when the Group has a legal or informal obligation to make such payments as a consequence of the services in question having been received from the employees and the provision amount can be calculated reliably.

Share-based incentive programs

In 2020 and 2021, Nordnet established a warrant program for all employees within the Group. The pur-

pose of the program is to strengthen the link between employees' work and the shareholder value generated. Accordingly, greater shared interest is expected to arise between the participants and Nordnet's shareholders. Participants have been offered the opportunity to subscribe for options at market value. Beyond expenses for preparing and administering the incentive program, Nordnet's expenses for the incentive program are limited to expenses arising in Norway regarding social security contributions. For additional information, see Note 13 General transaction costs on page 104 and Note 32.

Post-employment benefits

Post-employment benefits encompass pensions. The Group has defined contribution plans (see Note 13) entailing that the Group pays a fixed fee to a separate legal entity and has no legal or informal obligation to pay additional fees if the legal entity does not have sufficient assets to pay all employee benefits related to employees' service during the current period and prior. The size of the pension for the individual employee depends on the amount of money paid in and the size of the returns on the funds, unlike defined benefit pension plans, under which the employee is guaranteed a specific, predetermined pension by the employer. The Group's obligations regarding contributions to defined contribution plans are recognized as an expense in the income statement as they are earned by the employees performing services for the Group over a period.

Termination benefits

Compensation for termination of employment where the personnel member is suspended is recognized immediately as an expense as there are no future financial benefits for the Group.

Provisions.

A provision is recognized in the balance sheet when a formal or informal commitment exists as a consequence of an event and it is likely that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated. A provision for restructuring is reported only when a detailed restructuring plan has been established and restructuring has either commenced or otherwise been announced to the affected parties.

Pledged assets.

Pledged assets consist of assets pledged for other items than for own liabilities recognized in the balance sheet. Pledged assets mainly refers to collateral in credit institutions and the stock exchange. Pledged assets on behalf of customers refers to margin lending in which assets are provided in the form of cash and cash equivalents from the institutions offering the margin lending. Nordnet, in turn, has corresponding coverage in collateral from customers.

Contingent liabilities.

Contingent liabilities are reported when there is a potential obligation stemming from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or where there is an obligation stemming from past events but which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Commitments.

Commitments comprise credits granted but not utilized, such as personal loans and residential mortgages, as well as custodial credit granted, which are reported at the nominal amounts granted, less any amortized cost on the amount utilized of the loan receivable.

Tax.

The Group's tax consists of current and deferred tax. Current tax is that paid or received pertaining to the current year, calculated applying tax rates that have been established (or to all intents and purposes established) on the balance sheet date. Any adjustment of current tax attributable to previous periods also belongs here.

Deferred tax is calculated based on temporary differences between the reported tax bases of assets and liabilities. Temporary differences are not taken into account in consolidated goodwill, or for differences arising on the initial recognition of assets and liabilities that are not business combinations that, at the time of the transaction, affect neither accounting nor taxable profit. Nor are temporary differences taken into account that relate to participations in subsidiaries, associates

and affiliates and that are not expected to be reversed in the foreseeable future. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been set or essentially are set as of the balance sheet date. Deferred tax assets for deductible temporary differences and loss carryforwards are recognized to the extent that it is probable that the amounts can be utilized against future taxable income.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to offset. This entails items relating to taxes levied by the same taxation authority on either the same taxable entity or a different taxable entity, where there is an intention either to settle these tax items net or to reclaim the tax asset at the same time as the tax liability is settled. Deferred tax assets and deferred tax liabilities are generally offset to the extent that this is permitted for current tax assets and current tax liabilities.

All current and deferred taxes are reported in the income statement, unless they refer to items recognized in other comprehensive income or directly in equity.

Tax on returns

The subsidiary Nordnet Pensionsförsäkring AB reports a return tax based on flat-rate calculations of the return on assets managed on behalf of policyholders. The tax is deducted from policyholders' assets and reported net in the income statement in Other income.

Segment reporting.

An operating segment is a component of a company that engages in business activities from which it may earn income and incur expenses and whose operating results are regularly reviewed by the company's management and for which discrete financial information is available.

Nordnet's operating segments are divided into geographical areas in the form of the countries in which the Group operates. The highest executive decision maker in the form of Group Management monitors the development of operations per country based on operating profit. The allocation of balance items per country is not reported. Nordnet has a joint operating platform and the offering in each market is very similar in terms of a platform for investment and savings, pension savings and margin lending in the Swedish,

Norwegian and Danish markets. The personal loan and residential mortgage products are only offered on the Swedish market. In the Finnish market, we offer a platform for investments and savings and margin lending, but not pension savings.

Cash flow statement.

The cash flow statement is prepared using the direct method, as this method best reflects the operations. The cash flow statement includes changes in cash and cash equivalents. Cash flow is divided into cash flow from operating activities, investment activities and financing activities. Cash flow from investment activities includes only actual payments for investments during the year.

Foreign subsidiaries' transactions are recalculated in the cash flow statement at the average exchange rate of the period. Acquired and divested subsidiaries are reported as cash flow from investing activities, net, after deduction of cash and cash equivalents in the acquired or divested company.

Cash and cash equivalents.

Cash and cash equivalents consist of balances at banks and corresponding credit institutions. Cash and cash equivalents can easily be converted into cash to a known amount, have an insignificant risk of value fluctuations and have a maturity of no more than three months from the date of acquisition.

Parent Company's accounting policies.

The Parent Company generally adheres to IFRS and the accounting principles applied in the consolidated financial statements. In addition, the Parent Company needs to take into account and prepare annual reports in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Parent Company's Annual Report has therefore been prepared in accordance with IFRS as long as it is compatible with ÅRL and RFR 2. The most significant principal differences between the Parent Company and the Group's accounting policies are shown below.

Shares in subsidiaries

Shares in subsidiaries are recognized according to the cost method, which means that transaction expenses

are included in the carrying amount.

Intangible assets

The Parent Company writes off goodwill systematically based on the estimated useful life. All expenses attributable to internally developed intangible assets are reported in the income statement as an expense.

Leased items

In accordance with RFR 2, the Parent Company has chosen not to apply IFRS 16 Leases. The Parent Company reports financial lease agreements as operating lease agreements. This means that the company reports lease fees as expenses on a straight-line basis across the lease period. Consequently, the right-of-use assets and lease liabilities are not reported in the balance sheet.

Untaxed reserves and Group contributions

Due to the relationship between accounting and taxation, the deferred tax liability attributable to the untaxed reserves in the Parent Company is not separately disclosed. These are recognized gross in the balance sheet and income statement. Group contributions received from subsidiaries are recognized as financial income. Group contributions paid by the Parent Company to a subsidiary are recognized as an increase in participations in Group companies.

Note 6 Transactions with related parties.

E. Öhman J:or AB with subsidiaries ("Öhman Group") is closely related to Nordnet AB (publ).

Nordnet Bank and Nordnet Pension regularly enters into business relations with subsidiaries of E. Öhman J:or AB in the same way as it regularly does with other financial parties. Nordnet's free-of-charge index funds and another fund marketed in Nordnet's name are managed by Öhman Fonder. According to the agreement regarding the free-of-charge index funds, Öhman Fonder receives compensation from Nordnet Bank for its management and handling of the funds. According to the agreement regarding the other fund marketed in Nordnet's name and managed by Öhman Fonder, Nordnet Bank receives compensation for its distribution of the fund as part of the management fee charged by Öhman Fonder for the fund in question.

Nordnet Bank and Öhman Fonder have also entered into distribution agreements regarding Nordnet Bank's distribution of other funds managed by Öhman Fonder. Nordnet Bank receives compensation from Öhman funds for this distribution as part of the management fee charged on mutual fund units distributed by Nordnet Bank. In addition, a co-operation agreement has been entered into regarding Nordnet Bank's and Nordnet Pension's provision of so-called partner services to Öhman Fonder with regard to custodial accounts for Öhman Fonder's customers whose assets are deposited with Nordnet Bank or are covered by insurance provided by Nordnet Pension. According to the co-operation agreement, Nordnet Bank and Nordnet Pension receive compensation from Öhman Fonder for providing the partner service. The Öhman Group has entered into an occupational pension agreement with Nordnet Pensionsförsäkring AB. All agreements between Nordnet and E. Öhman J:or AB and its subsidiaries have been entered into on market terms.

Over the year, Nordnet Bank received commission income and other income totalling SEK 9,762 thousand (11,011) and paid commission expenses and other expenses of SEK 13,161 thousand (11,233). As of the balance sheet date, receivables from related companies amounted to SEK 0 thousand (0) and liabilities to related companies amounted to SEK 0 thousand (0).

Nordnet Bank offers personnel credits to all Group employees. The company has granted credits for margin lending to Board Members as well as residential mortgages to a Board Member and another individual considered to be a related party. These credits have been issued on market terms. The company has also provided margin lending and private loans to senior executives. Interest on unutilized credits with regard to residential mortgages incurs taxation of benefits. No provisions relating to bad debts or expenses relating to bad debts to related parties have been reported during the financial year. For information on granted and utilized credits to Board Members and other senior executives, see Note 13.

For disclosures regarding the salaries and other remuneration, expenses and obligations relating to pensions and similar benefits and contracts in respect of severance pay for the Board, the CEO and other senior executives, see Note 13.

Note 7 Risks.

Risk is defined as an exposure to a deviation from an anticipated financial outcome. Although risk-taking is a fundamental part of the operations, Nordnet shall not generally expose itself to risks not supported by an established business plan. Risk management must be carried out in accordance with appropriate practices so that the relationship between risk and expected return is optimized.

Nordnet's risk exposures are based on:

- Business activities intended to meet both customer needs as well as Nordnet's own needs, within the business strategy adopted by the Board
- Nordnet's long-term financial interests
- Current and future regulatory requirements
- Current and future capacity to control and mitigate risk exposure
- Acceptable loss levels and the capacity to absorb losses through earnings and capital

How risk management is conducted is described in the risk management framework. The framework comprises a number of control documents that describe strategies, processes, procedures, internal rules, limits, controls and reporting procedures. The risk framework is integrated into the organization and covers all relevant risks.

Central to the risk framework is the risk capital, which expresses the aggregate level and the types of risks that Nordnet is willing to expose itself to within its risk capacity and in accordance with the business model to achieve strategic objectives. The risk appetite indicates the maximum accepted risk exposure at both a general level, as well as for specific risks. This is adapted to Nordnet's business strategy, with the limits being determined by the Board and assessed and updated regularly.

Risk culture is defined as the norms, attitudes and behaviours around risk awareness, risk-taking and risk management and the controls that shape decisions regarding risks. The risk culture influences the decisions that management and employees make in their daily operations and that thereby influence the risks they take. Nordnet shall have a sound risk culture that safeguards a common view of risk-taking based on risk

awareness and an understanding of the specific risks and risk appetite. The resources and expertise in the business organization and the control functions must be adapted to the scope of the work performed in the respective units. Nordnet's risk processes are conducted in accordance with the principles associated with the three lines of defence.

The first line of defence comprises the operations of the line organization and involves all risk management activities performed by line management and personnel. All managers are fully responsible for the risks within each area of responsibility and the day-to-day management of these. Consequently, they are responsible for ensuring that an appropriate organization, procedures and support systems are implemented to secure an appropriate system of internal control. They are also responsible for ensuring that all activities are kept within risk appetite and adhere to internal and external rules.

The second line of defence comprises the risk control, actuarial and compliance functions. They are independent of the line operations and monitor, control and report the company's risks and regulatory compliance and must also support and advise the first line of defence. The functions develop the principles and framework of risk management, gather the business's risk assessments and perform independent follow-up procedures. They must also promote a healthy risk culture by supporting and educating managers and personnel.

The third line of defence comprises the internal audit function, which performs independent periodic reviews of the governance structure and the internal control system. These audits may be mandatory from a regulatory perspective or risk-based.

ICLA.

The internal capital and liquidity assessment process (ICLA) is a continuous process that evaluates capital and liquidity requirements in relation to Nordnet's risk profile, plans and global factors. As part of the ICLA work, a comprehensive study and analysis is conducted of the risks in the operations. Nordnet is working for the entire organization to be involved in risk analysis. All employees are responsible for identifying

risks and increasing their knowledge about these. The ICLA process is part of the organization's work with risk and requires the active participation of risk owners and the employees concerned. For the insurance group, a risk and solvency assessment or ORSA (Own Risk and Solvency Assessment) is performed, which is a continuous process that assesses the capital requirement in relation to the Group's risk profile and business plan. The ORSA covers all material risks to which the Group is exposed.

Credit risk.

Credit risk is the risk of Nordnet not receiving payment as agreed and/or making a loss due to a counterparty's inability to fulfil its obligations, and where any securities do not cover Nordnet's receivables.

Nordnet's exposure to credit risks arises primarily from lending, which entails the risk of incurring losses due to borrowers not being able to meet their payment obligations for various reasons. Lending to the public comprises margin lending with collateral in listed securities. In Sweden, Nordnet also offers residential mortgages and unsecured personal loans.

Nordnet's lending is characterized by good ethics, superior quality and control and is therefore based on policies established by the Board that set the framework for credit assessment, credit risk management, credit risk reporting and risk appetite. The CEO is responsible for more detailed credit instructions being established. It is in the Group's interests that lending

does not entail borrowers taking unnecessary risks. All credits are assessed within the credit department, which is centrally located in the Group. Internally developed risk classification tools are used as support. Before granting credit, all credits must be identified and are assessed based on the individual borrower's financial conditions and repayment capacity in both the short and long term. Nordnet continuously monitors borrowers' repayment capacity.

At the end of the year, lending to the public amounted to SEK 26,326 million (20,312). The total provision for expected credit losses amounted to SEK 105 million (105), including an additional credit provision of SEK 3 million (2) regarding residential mortgages to take into account any credit losses that may arise but are not captured by the model for credit provisions. This additional provision is a buffer and is not due to increased credit risk in the residential mortgage portfolio, which remains at a very low level, but for situations that may arise if, for example, the mortgaged home is destroyed and the insurance does not cover the damage or if the pledge is invalid. The additional provision shall cover expected credit losses on an average residential mortgage. The previous additional credit provision of SEK 2 million was linked to uncertainty regarding the coronavirus pandemic and private loans.

The Group's credit risk exposures also include counterparty risks and concentration risks. Counterparty risks, defined as the risk that a counterparty in a financial transaction is unable to meet its obligations and thus causes a loss for the other party, arise primarily in the

Stages lending to the public 2021	Amortized cost	Provision for expected credit losses	Total lending to the public
Stage 1	25,848,161	-23,964	25,824,197
Stage 2	454,683	-21,201	433,482
Stage 3	128,505	-60,028	68,477
	26,431,349	-105,193	26,326,156

Stages lending to the public 2020	Amortized cost	Provision for expected credit losses	Total lending to the public
Stage 1	18,245,843	-21,928	18,223,915
Stage 2	2,057,481	-21,251	2,036,230
Stage 3	113,488	-61,777	51,711
	20,416,812	-104,956	20,311,856

management of the Group's liquidity portfolio but also occur in clients' securities trading. Concentration risks can arise from exposures to individual counterparties/ customers, industries and regions. In the table below, "Credit quality lending", all lending has been defined on the basis of IFRS 9 steps 1 to 3.

Credit rating.

Margin lending

In the case of margin lending, the decisive assessment criteria for Nordnet are the value and quality of the security in the form of mortgageable securities in the customer's custodial account and the customer's repayment capacity. The loan value of the collateral securities is evaluated in accordance with an internal model based on the quality, liquidity and volatility of the individual security. Based on this and the repayment capacity, the customer is assigned a credit limit. The maximum permissible loan-to-value ratio for an individual security is 90 percent, although the loan-to-value ratio is often lower. Nordnet's credit department constantly monitors the loan-to-value ratio at both an individual and aggregated level. The number of custodial accounts utilizing credit amounted to approximately 23,394 (20,100) as of 31 December 2021.

In a situation where the exposure (negative balance/ lending + negative market values for short sales + collateral requirements for derivatives) exceeds the loan-to-value ratio of the collateral, so-called over-borrowing occurs. The customer must then remedy the shortfall that has arisen, either by selling securities,

injecting additional cash and/or injecting additional securities with collateral value. If this is not rectified within a given time frame, Nordnet has the option of selling securities to the extent required to rectify the over-borrowing. However, Nordnet always has the opportunity to remedy over-borrowing directly. As of 31 December 2021, over-borrowing amounted to SEK 10.9 million (5.4), corresponding to 0.10 percent (0.06) of the total lending for margin lending. Over-borrowing averaged SEK 12 million per day during 2021, which corresponds to 0.12 percent of the average lending for margin lending. In a situation where exposure has arisen in a custodial account where no approved loan agreement exists, an overdraft occurs. Customers must rectify overdrafts and if this does not happen within the specified time frame, Nordnet has the opportunity to sell securities to settle the shortfall. As of 31 December 2021, over-borrowing amounted to SEK 29.2 million (25.3)

Nordnet conducts ongoing stress tests to assess and calculate the risk of losses that may arise in the event of sharp stock market declines or due to concentrations in the collateral.

At the end of the year, lending totalled SEK 13,337 million (9,846) and the market value of the securities amounted to SEK 140,859 million (50,393). The volume-weighted average loan-to-value ratio in customers' custodial accounts with credit limits amounted to 36.2 percent (36.1). The provision for expected credit losses amounted to SEK 11.8 million (23.2).

Margin lending

Market	Credit utilized (SEK million)		Percentage of total credit volume (%)	
	2021	2020	2021	2020
Sweden	5,480	4,045	41%	41%
Norway	2,575	1,932	19%	20%
Denmark	2,410	1,698	18%	17%
Finland	2,860	2,148	22%	22%
Total	13,325	9,823	100%	100%

Range	Total, net (SEK million)		Percentage of total (%)	
	2021	2020	2021	2020
<10 SEK thousands	43	40	0%	0%
10-500 SEK thousands	2,494	2,169	19%	22%
501-2 000 SEK thousands	3,545	2,792	27%	29%
>2 000 SEK thousands	7,243	4,822	54%	49%
Total	13,325	9,823	100%	100%

The change in the provision for expected credit losses has been affected by changes in the model for provisions (IFRS 9) and established credit losses regarding a small number of loans that have been reserved for a longer period and where an assessment has been made that the borrower is unable to repay the remaining debt. See the section Changes to models for expected credit losses (IFRS 9) for further information.

Residential mortgages

Nordnet offers residential mortgages on the Swedish market with a maximum loan-to-value ratio of 60 percent. To personnel in Sweden, Nordnet offers residential mortgages with a maximum loan-to-value ratio of 75 percent. All lending is secured by mortgage deeds in single-family homes and tenant-owned apartments with Nordnet as the sole holder of the pledged assets. The value of the pledged assets is calculated on the basis of valuations by an external party: statistical valuation or valuation from brokers or authorized assessors. When buying a home, the purchase consideration can be used as market value. Revaluation takes place annually, or more frequently if needed. Nordnet also has supplementary collateral in borrowers' securities deposits with Nordnet.

Nordnet only grants residential mortgages following a customary credit check and a left to live on calculation, in which all income and expenditure of the borrower's household is taken into consideration to ensure that the borrower can cope with a higher interest-rate scenario. All loans are covered by regulatory amortization requirements. The interest rate follows an interest rate ladder that can be adjusted if the conditions change in the form of reduced assets that qualify for a certain discount or that the value of the home decreases.

At the end of the year, lending totalled SEK 8,872 million (6,493). Of the total lending, 85 percent (85) is to borrowers resident in Stockholm, Gothenburg and Malmö. The volume-weighted average loan-to-value ratio amounted to 45.7 percent (44.3). The provision for

expected credit losses amounted to SEK 3.2 million (0). The provision for expected credit losses includes an additional provision of SEK 3 million for expected credit losses that may arise if, for example, the mortgaged home is destroyed and the insurance does not cover the damage or if the pledge is invalid. The additional provision shall cover expected credit losses on an average residential mortgage. The change in the provision for expected credit losses has also been affected by changes in the model for provisions (IFRS 9). See the section Changes to models for expected credit losses (IFRS 9) for further information.

Personal loans

Nordnet offers credits of up to SEK 500,000 to private individuals in Sweden without requiring collateral. Accordingly, this type of lending has a higher inherent credit risk than in Nordnet's other lending. For these loans, individual pricing is applied that reflects the risk.

Credit assessment regarding personal loans applies in-house-developed scoring models combined with a calculation of how much the borrower has left to live on, and supplementary credit regulations. The scoring model predicts the risk of default based on the information registered at the time of application, credit information and internal management. A credit decision must be made based on current information, which is why an application must not be older than 30 days.

The internal risk rating system forms a central component in the Group's processes for credit provision, credit review and quantification of the credit risk in the portfolio. Nordnet can thereby estimate the risk of bankruptcy and future losses. This also affects the pricing in the form of the interest offered to the customer. Credit risk and the dynamics of the credit portfolio are followed up on an ongoing basis to ensure that the risk level is in line with the risk appetite approved by the Board of Directors. The models are reviewed regularly and validated internally or by an independent consulting firm.

	Market value (SEK million)		Lending (SEK million)		Average loan to value ratio %	
	2021	2020	2021	2020	2021	2020
Collateral for mortgage loans						
Houses	14,381	11,103	5,702	4,233	44.4%	43.4%
Tenant-owner's right	7,320	5,467	3,170	2,260	47.9%	46.0%
Total	21,701	16,570	8,872	6,493	45.7%	44.3%

At the end of the year, lending amounted to SEK 4,223 million (4,077) under the Konsumentlånet (consumer loan) and Nordnet brands and divided between 27,247 loans (25,948). Provisions for expected credit losses amounted to SEK 90 million (82).

The change in the provision for expected credit losses has been affected by changes in the model for provisions (IFRS 9) and confirmed credit losses regarding a few loans that have been reserved for a longer period and where an assessment has been made that the borrower is unable to repay the remaining debt. See the section Changes to models for expected credit losses (IFRS 9) on page 95 for further information. In 2020, an additional provision was introduced for expected credit losses due to the coronavirus pandemic that would possibly not have been taken into account by the model. The additional provision was removed in November 2021 as the coronavirus pandemic did not increase expected credit losses or confirmed credit losses.

Liquidity portfolio

Liquidity management within Nordnet comprises the regulatory liquidity reserve (in accordance with the Swedish Financial Supervisory Authority's regulations on liquidity risk management (FFFS 2010:7)) and all other liquidities in the liquidity portfolio. The liquidity reserve constitutes a separate reserve of high-quality liquid assets, bank balances (excluding client funds), balances with central banks and investments in interest-bearing securities.

Procedures for investments in financial instruments follow established policies and instructions. These regulate the type of investment, limits per counterparty, permitted issuers, maximum fixed interest maturities, as well as procedures to ensure the quality of counterparties and pledged collateral. Securities holdings comprise certificates, bonds and treasury bills with a rating of at least BBB- issued by banks, companies, states,

municipalities and county councils. All interest-bearing securities where the issuer or instrument does not have a credit rating from a credit rating agency entail exposures to local government authorities within the EU/EEA.

Nordnet's liquidity portfolio comprises cash and bank balances at central banks, loans to credit institutions, sovereign bonds eligible as collateral and bonds and other interest-bearing securities and amounted, as of 31 December 2021, to SEK 49,576 million (36,320).

Provisions for interest-bearing securities amounted to SEK 1,293 thousand (442). All interest-bearing securities carry investment grade credit ratings or, in cases where credit ratings are lacking, are issued by municipalities or regions in the Nordic countries. Provisions are therefore calculated as the expected credit loss (ECL) over the ensuing 12-month period.

Counterparty risk

Counterparty risks arise in the form of issuer risks in the liquidity portfolio, risks to account holders for bank deposits, settlement risks, and risks to clearing institutions and CCPs. Settlement risk comprises the risk that the counterparty to a transaction will not be able to fulfil its obligations to pay for or deliver agreed securities and that the price of the financial instrument will have changed when re-arranging the transaction with a new counterparty.

As a consequence of Nordnet's operations, a large part of the counterparty risk is related to the flow of transactions on the Nordic stock markets. The risks are limited through the use of established clearing organizations, such as Euroclear and Nasdaq OMX.

Counterparty risks in the liquidity portfolio are limited by, for example, deliberately selecting counterparties with high credit quality. Trading in derivative instruments is governed by ISDA agreements, and their

Concentration risk	
31/12/2021	
Evolution Gaming	2.6%
Nordea	2.1%
Sampo	2.0%
Fortum	1.3%
Tesla	1.3%

Concentration risk	
31/12/2020	
Evolution Gaming	2.1%
Nordea	2.0%
Sampo	1.9%
Fortum	1.5%
Vestas Wind Systems	1.3%

Rating according to Standard & Poor's 31/12/2021																	
Group SEK million	A-1+	A-1	A-2	A-3	no rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BB	no rating	Total
Assets																	
Loans to credit institutions¹	317	2,183	33		5												2,538
Loans to the general public					26,326												26,326
Fincial assets at fair value																5	5
Treasury bills and other interest bearing securities						30,206	3 236		154							107	33,703
Bonds and other interest bearing securities	200	941	1,866	363		1,536	324		530	884	382	853		171	89	2,839	10,978
Reinvested assets in the insurance business						1,586	126										1,712
Total	517	3,124	1,899	363	26,331	33,327	3,686	-	684	884	382	853	-	171	89	2,952	72,310

¹ Of which SEK 1,893 million is reported as actuarial assets in the consolidated balance sheet.

Rating according to Standard & Poor's 31/12/2020														
Group SEK million	A-1+	A-1	A-2	A-3	no rating	AAA	AA+	AA	AA-	A+	A	A-	no rating	Total
Assets														
Loans to credit institutions ¹	301	2,529	46	-	19	-	-	-	-	-	-	-	-	2,896
Loans to the general public	-	-	-	-	20,312	-	-	-	-	-	-	-	-	20,312
Fincial assets at fair value	-	-	-	-	7	-	-	-	-	-	-	-	-	7
Treasury bills and other interest bearing securities	-	-	119	-	-	25,710	3,742	152	-	-	-	-	557	30,280
Bonds and other intererst bearing securities	55	319	659	30	-	193	206	-	20	40	25	72	717	2,336
Reinvested assets in the insurance business ²	-	-	-	-	-	4,639	850	-	-	-	-	-	-	5,489
Total	356	2,848	824	30	20,338	30,542	4,798	152	20	40	25	72	1,274	61,320

¹ Of which SEK 2,292 million is reported as actuarial assets in the consolidated balance sheet.

² Parts of the liquid assets in the insurance business were reinvested in bonds.

collateral by CSA agreements. Counterparty risks are limited through the deliberate selection of counterparties with high credit quality and by entering agreements on derivative instruments with several financial counterparties. Trading in derivative instruments is governed by ISDA agreements, and their collateral by CSA

agreements.

The table on the next page shows the credit ratings for the Group's holdings of financial instruments. According to the Group's Finance Policy, holdings in interest-bearing instruments carry a rating of at least BBB-. Nordnet may also invest in hybrid and capital instru-

ments with a rating lower than BBB- provided that the issuer has a rating of at least BBB-. For covered bonds, the ratings of the bonds have been used; for others, the issuer's ratings have been used. Nordnet allows investments in non-rated assets issued by municipalities or county councils.

Concentration risk

Concentration risks arise in commitments concentrated to a small number of customers or a certain industry, for example, or to securities issued by one particular issuer, or to a specific geographical area. Concentration risks can also arise when groups of exposures exhibit a significant degree of covariance. Nordnet has a range of services and products targeting a broad spectrum of customers throughout the Nordic region, with relatively low exposures per customer, a favourable geographical spread and considerable variation in their trading behaviour. Nordnet has established procedures and working methods aimed at avoiding excessive concentrations to individual issuers. The credit portfolios show limited exposures to individual borrowers and are spread well between geographical markets. There is one major concentration in the residential mortgage portfolio, primarily in Greater Stockholm, which accounted for 70.4 percent (69.5) of this lending. Nordnet monitors the concentration risks on an ongoing basis.

As of 31 December 2021, the ten largest credits (customers with co-limits) accounted for 9.5 percent (8.3) of total margin lending. The table above presents the concentration regarding lending against individual collateral assets.

Calculation of expected credit losses.

Assumptions and techniques for assessing impairment

Nordnet reports provisions for credit losses on financial assets measured at amortized cost and for irrevocable loan commitments. For all credit products, as well as for the liquidity portfolio, Nordnet has developed statistical models combining historical, current, future-oriented and macroeconomic data, as well as benchmarks deemed relevant by Nordnet and external data from multiple sources to be able to measure the credit risk and assess the potential risk of default.

The measurement of credit exposure and calculation of expected credit losses (ECL) are complex and include

the use of models based on the probability of default (PD), exposure at default (EAD) and loss given default (LGD).

Twelve-month and lifelong PD represents Nordnet's assessment of the probability of default within the next 12 months and over the entire remaining term of the contract at a given time based on the conditions on the balance sheet date and future financial conditions affecting credit risk. EAD refers to the expected exposure on default, taking into account repayments of principal and interest from the balance sheet date to the time of default. LGD constitutes the expected loss on default, taking into account mitigating factors, such as collateral assets and their value. PD, LGD and EAD are calculated monthly up until the end of the expected term. ECL comprises the product of PD, LGD and EAD discounted by the original effective interest rate. A summary of the expected credit losses up to and including the end of the expected maturity yields the expected credit losses over the remaining maturity of the asset. For margin lending, a loss-rate model is applied in which PD and LGD are calculated together.

The calculation takes into account three scenarios (base, positive and negative) reflecting relevant macroeconomic factors, such as GDP, housing prices and unemployment. The risk parameters incorporate the effects of macroeconomic forecasts. A probability is allocated for each scenario and the expected credit losses are obtained as a probability-weighted average. Significant doubtful credit exposures are assessed individually, without applying input data from models.

Increased credit risk

Nordnet takes both quantitative and qualitative information into account when assessing whether there has been a significant increase in credit risk since initial recognition. The analyses are based on historical, current and forward-looking information alike.

For margin lending, a significant increase in credit risk is considered to have occurred where:

- Over-borrowing or an overdraft exceeding SEK 10,000 has arisen and not been settled within ten days.
- The credit exposure exceeds the value of the security, with the amount exceeding SEK 1,000 and not having been settled on the first banking day. If the amount is not settled within 30 days (back-stop), a significant

increase in credit risk is considered to have occurred regardless of the amount.

A significant increase in credit risk for residential mortgages occurs if the PD at the time of reporting is higher than the PD when the mortgage was disbursed and the increase in PD exceeds 0.25 percentage points. There is also a significant increase in credit risk if a claim is more than 30 days past due (back-stop).

For personal loans, a significant increase in credit risk is considered to have occurred if a significant increase in PD has occurred since the application date, or if the invoice remains unpaid 17 days after the due date. After that time, the claim is submitted for collection. Nordnet has chosen to deviate from the standard's back-stop (30 days), as Nordnet believes that this model provides a more accurate view of which customers risk becoming insolvent.

Regarding the liquidity portfolio, Nordnet's Finance Policy stipulates that an asset must be sold if the issuer's credit rating falls below BBB- (Standard & Poor's or Fitch/Moody's respectively). If the asset refers to a covered bond, the credit rating may not fall below AA-/Aa3. Nordnet assesses these assets in accordance with the exception for holdings with low credit risk, as the asset will be sold before the credit risk is considered to have increased significantly.

Collective assessment

The assessment of a significant increase in credit risk for exposures pertaining to all lending products and the liquidity portfolio is based initially on a collective assessment applying shared risk parameters in the form of product category and credit risk rating.

Modified loans

The reason for a loan being modified may be that a borrower has contacted Nordnet after encountering financial difficulties, that Nordnet has taken measures to retain the customer or that changes in market conditions have occurred.

A modified loan not derecognized in the balance sheet, which is attributable to the customer's repayment capacity, is categorized as a deferred loan. This requires a transfer between stages in the models used to calculate credit loss provisions. The loan must then pass at

least 12 months without remark or further modification to then be moved back to an earlier stage.

Default and doubtful receivables

Default is defined in accordance with the Group's Credit Policy as a combination of both quantitative and qualitative factors.

For margin lending, a custodial account is considered to be in default (Stage 3) when the credit exposure exceeds the value of the collateral for more than 90 days.

Residential mortgages are defined as being in default if a claim is more than 90 days past due or if the claim has been submitted for collection.

Personal loans are defined as being in default if a claim is at least 90 days past due, or if the probability of repayment is considered low. Examples of this involve customers undergoing debt restructuring, who have been declared bankrupt, are deceased, are targets of fraud or have emigrated from the country. A default always leads to the claim being classified as Stage 3. In addition to the above, and applicable to all products, loans granted any form of deferral are to be placed in Stage 3. Stage 3 also includes minimum terms for reclassification to a non-default status.

Transfer from Stage 3

All types of loans transferred to Stage 3 are subject to a probation period, meaning that they can only be transferred to Stage 1 or 2 after a certain period.

Loans transferred to Stage 3 due to having been deferred can be transferred to Stage 1 or 2 after 12 months at the earliest. In other instances, loans can be transferred to Stage 1 or 2 after three months.

The liquidity portfolio and lending to credit institutions are assessed in accordance with the exception for holdings with low credit risk. In accordance with Nordnet's Finance Policy, only bonds and treasury bills with a rating of at least BBB according to Standard & Poor's, Moody's or Fitch are permitted. All bank deposits are placed at rated institutions and central banks in the Nordic banking system.

For other financial instruments measured at amortized cost, such as accounts receivable, default is defined as

a claim that is more than 90 days past due, or for which there are other indicators (bankruptcy) suggesting that debtors are unlikely to pay their credit obligations in full.

Changes to models for expected credit losses

In the fourth quarter of 2021, the models for expected credit losses (IFRS 9) were adjusted for margin lending, residential mortgages and personal loans. The models have been adapted to the regulations and improvements have been implemented following an analysis of the quality, credit risk and confirmed credit losses of the credit portfolios. The material changes to the models are described below.

Margin lending

The credit loss calculation model has been re-calibrated, resulting in a marginally lower level of provisions for Stage 1 and a slightly higher level of provisions for Stage 2. Margin lending classified as Stage 3 is divided into different categories with different levels of provisions, based on probability and expected credit losses. In addition, the model for classifying credits at different stages has been adjusted to better reflect the actual risk of credit losses.

In the previous model, margin lending was transferred to Stage 2 in connection with over-borrowing or overdraft not settled within three days, regardless of the amount. If the credit exposure exceeded the value of the collateral, the customer was transferred to Stage 2 after one day. In the new model, the transfer to Stage 2 occurs later. In connection with over-borrowing or overdraft, the customer is transferred to Stage 2 if the amount exceeds SEK 10,000 and settlement has not occurred within ten days.

In the previous model, margin lending was transferred to Stage 3 if the credit exposure exceeded the value of the collateral and was not settled within three days. In the new model, the transfer to Stage 3 if settlement has not occurred within 90 days.

The calculation of Exposure at Default (EAD) has been adjusted to take into account positive deposits in other currencies to the customers' custodial accounts.

Residential mortgages

The expected lifetime of residential mortgages has been adjusted from the contractual maturity to an expected lifetime of ten years. The expected lifetime

is based on repayment history, premature redemption and assumptions regarding loan redemptions when borrowers move or their life situation changes. The probability of default (the PD model) has been developed and re-calibrated. The new model has been expanded with additional PD levels to better reflect the probability of default. PD is calculated in the same way at the start of the residential mortgage as during the lifetime of the mortgage. The lowest level of loss given default (LGD) has been re-calibrated in the calculation of expected credit losses.

A large number of loans was previously reported at Stage 2, although with an extremely low level of provisions, which did not provide an accurate impression of the risk. Accordingly, Nordnet has adjusted the classification for Stage 2 in the new model, resulting in fewer loans being classified at Stage 2. In summary, a greater probability of default (PD) is required for the risk to be assessed as elevated (Stage 2). In the earlier model, a transfer to Stage 2 occurred if PD was higher than PD on commencement of the residential mortgage and if PD was greater than 0.2 percent. In the new model, a transfer to Stage 2 occurs if PD is higher than PD on commencement of the residential mortgage and if the change in PD is greater than 0.25 percentage points. No residential mortgages at Nordnet have defaulted since residential mortgages were launched in 2016. Transfer to Stage 2 occurs even if a past-due amount is not settled within 30 days.

No adjustments have been made to Stage 3 in the new model. Customers with residential mortgages are defined as being in default if a claim has been overdue for more than 90 days or if the claim has been submitted for collection.

Personal loans

A calibration has been conducted of EAD and losses attributable to loans that are not sold. In addition, the level of provisions regarding losses occurring outside sales to collection, such as debt restructuring, fraud and estates of the deceased, have been re-calibrated.

Nordnet has entered into a new agreement on the sale of defaulted receivables to collection, which applies as of 1 January 2022. The new agreement means that Nordnet receives slightly less for each receivable sold, in turn increasing the expected credit losses. These affect, in turn, the credit provisions for personal loans,

increasing these by SEK 10 million. The risk of default is not affected by this change.

Application of forward-looking information.

Nordnet includes forward-looking information in its calculations of expected future credit losses. From analyses of historical data, macroeconomic factors are identified that affect credit risk and credit losses. These analyses take into account internal and external information on country, borrower and product type and are consistent with the forward-looking information used for other purposes such as financial planning and forecasting. These consist of reasonable and verifiable factors, such as unemployment, GDP and a housing price index. The effect of forward-looking macroeconomic factors is calculated through the application of three different scenarios (base, positive and negative). The probabilities for the different scenarios, as well as the methodology and assumptions used in the models, are reviewed regularly and adjusted as necessary. In margin lending, GDP is considered a relevant macro variable in the calculation of expected credit losses. Years of negative GDP growth show a correlation with developments in the stock market, leading to an increase in credit losses. Data from Bloomberg and from various forecast institutes are used for forecasting the GDP trend in Sweden, Norway, Finland and Denmark. In addition to GDP forecasts, volatility in financial markets and other forecasts of future economic development may be taken into account. For personal loans, unemployment is used as a variable when calculating expected credit losses. In the calculations, three scenarios are taken into account: base, positive and negative. Each scenario includes a forecast unemployment rate and a probability linked to the scenario. The forecast extends over two years and is based on data from Bloomberg with forecasts from Swedish and international banks.

When calculating expected credit losses on residential mortgages, the housing price index is used to reflect the price trend in the Swedish housing market, and future housing price expectations and forecast GDP trends are also applied.

Historical price trend data is taken from Valueguard HOX Sweden and housing price expectations are taken from the SEB housing price indicator.

Changes in market interest rates are used to forecast the risk of credit losses in the liquidity portfolio. The interest rate affects funding expenses for states, banks and institutions that borrow money on the capital markets. Accordingly, the interest rate has an impact on credit providers' credit quality in the form of refinancing opportunities, interest payments and financing expenses. Macroeconomic factors are reflected in the credit ratings of credit providers and the portfolio instruments. A forecast is also given of each credit rating (positive/stable/negative). Forecast credit losses are based on three different scenarios. Base – all credit ratings are unchanged. Negative – credit ratings with a negative outlook are downgraded one level. Positive – credit ratings with a positive outlook are upgraded one level.

A 12-month credit loss provision is calculated for each of the scenarios. These are then weighted with the probability of each scenario occurring, with the final credit loss provision being the sum of these weighted amounts.

Sensitivity analysis, forward-looking information.

In the provisions for residential mortgages, expected credit losses are calculated for different scenarios (base, positive, negative). In the negative scenario, the market value of housing and customers' pledged capital are stressed.

A sensitivity analysis shows that at an unemployment rate of 12 percent, the proportion of agreements in Stage 2 (regarding personal loans) will increase from 4.40 percent of all agreements to 5.80 percent, and the proportion of the portfolio volume in Stage 2 will increase from 3.40 percent of the total portfolio volume to 4.59 percent. At the same time, the provision would increase by SEK 11.1 million.

Nordnet conducts ongoing stress tests regarding margin lending and regarding concentration risks for margin lending and residential mortgages.

Compliance measures.

Nordnet's contractual outstanding amount with regard to financial assets that have been written off but that are still covered by compliance measures in the form of instalment plans, amounts to SEK 11.0 million (8.3) as of

31 December 2021.

Confirmed credit losses.

Confirmed credit losses are credit losses for which Nordnet has made the assessment that it will not be possible to recover all or part of the credit exposure on an individual loan. Confirmed credit losses entail the credit exposure being removed from the balance sheet and expensed. Examples of confirmed credit losses include when a counterparty is declared bankrupt and there is no collateral to cover the credit exposure. A confirmed credit loss arises even if a loan receivable is sold to a collection agency as is the case for personal loans.

Confirmed credit losses for 2021 totalled SEK 35.3 million (32.4). This corresponds to 0.13 percent of the total lending as of 31 December 2021. For margin lending, the confirmed credit losses amounted to SEK 11.4 million. The credit losses involve a small number of old, defaulted credits for which the assessment has been made that the borrowers lack the means to repay the debts. Nordnet has not had any confirmed credit losses regarding residential mortgages over the year, nor has it had any confirmed credit losses since beginning to offer residential mortgages in 2016. The confirmed credit losses for personal loans amounted to SEK 23.8 million (32.4), which corresponds to 0.57 percent of total lending for personal loans as of 31 December 2021.

Market risk.

Market risk derives from the risk that the fair value or future cash flow from a financial instrument is affected by changes in market prices. Nordnet is exposed to market risks in the form of interest rate risk, exchange rate risk and share price risk. As Nordnet's operations are structured around customer trading and no trading is conducted on Nordnet's own behalf, the interest rate risks are primarily attributable to the bank book. Exchange rate risks arise in connection with differences between assets and liabilities in different currencies. The risk appetite for market risk is low, with the strategy being to match assets and liabilities with regard to currency, interest rate index and interest rate maturity.

Interest rate risks.

Interest rate risk is the risk that the fair value of, or future cash flows from, a financial instrument fluctuates due to

changes in market interest rates. Interest rate risks in the form of price risk and cash flow risk occur in connection with maturities imbalances between assets and liabilities, as well as in changes in asset values due to changes in market interest rates.

Nordnet's credit provision generally involves variable interest rates and is primarily funded through deposits at variable interest rates. The interest rate risk is deemed to be limited as the credit turnover rate is relatively high, and the credit agreements allow interest rate adjustments with a relatively short periodicity. The Board has set limits for the maximum interest rate risk level and interest rate sensitivity is measured and reported daily to Risk Control and the CFO. In addition, at the end of each quarter, a sensitivity analysis of the portfolio is conducted in conjunction with the reporting of interest rate risk to the Swedish Financial Supervisory Authority.

At the end of the year, the interest rate risk amounted to SEK 317.1 million (215.0) in the event of a negative change in the market interest rate of 2 percentage points (2), which would be charged against profit after tax and reduce equity by SEK 251.8 million (162.3). A list of Nordnet's fixed-interest terms is provided in the table on page 100. Nordnet applies an internal model for measuring credit spread risk. At the end of the year, the credit spread risk according to this model amounted to SEK 425 million.

Exchange rate risks.

Exchange rate risk is the risk that fluctuations in one currency in relation to another will affect Nordnet's profit, balance sheet and/or cash flows. Nordnet's home market is the Nordic region, with currency exposure mainly arising in NOK, DKK and EUR, although there are also currency flows in GBP, CAD and USD, for example.

To limit its exchange rate risk, Nordnet conducts currency exchange transactions on a daily basis and holds only minor flow-related currency positions over more than one banking day. According to the Policy established by the Board, Nordnet measures and reports its exchange rate risk on an ongoing basis.

At the end of the year, the total net exposure in foreign currency amounted to SEK 552.3 million (421.0). An

Group - valuation of assets and liabilities in foreign currency	2021	2020
Assets		
Loans to credit institutions	1,589,250	1,958,503
Loans to the general public	7,777,007	5,691,481
Shares and participations	2,049	2,056
Treasury bills and other interest bearing securities	32,476,482	25,108,978
Other assets	43,621,555	7,791,143
Total	85,466,342	40,552,161
Liabilities		
Deposits and borrowing from the general public	45,461,978	34,265,886
Other liabilities	39,452,113	5,865,242
Total	84,914,091	40,131,128

2021	Assets	Liabilities	Net exposure	Exchange rate risk ¹
NOK	23,678,336	23,372,022	306,314	30,631
DKK	28,097,735	28,021,105	76,631	7,663
EUR	30,636,830	30,461,658	175,172	17,517
Other	3,053,440	3,059,306	-5,866	587
Total	85,466,342	84,914,091	552,251	56,398

2020	Assets	Liabilities	Net exposure	Exchange rate risk ¹
NOK	11,218,190	10,975,232	242,959	24,296
DKK	13,181,036	13,152,543	28,494	2,849
EUR	13,249,293	13,127,071	122,222	12,222
Other	2,903,642	2,876,282	27,359	2,736
Total	40,552,161	40,131,128	421,034	42,103

¹ Shows the exchange rate risk in the case of an unfavourable exchange rate fluctuation of 10 percent.

unfavourable exchange rate development of 10 percent in either currency would entail an effect of SEK 56.4 million (42.1), which would be charged against profit after tax in the amount of SEK 44.8 million (33.1). This includes the net assets of the foreign operations, which are not hedged. For a more detailed description of assets and liabilities in foreign currency, see the table below.

Share price risk.

Share price risk is the risk that the fair value of, or future cash flows from, a share will vary due to changes in market prices. Nordnet's direct exposure to share price risk is low as the Group does not normally hold any positions of its own.

At the end of the year, the company's own total exposure to share price risk amounted to SEK 5.2 million

(7.3). A general change in share prices of 10 percent entails a risk of about SEK 0.5 million (0.7), which would be charged against profit after tax and reduce equity by SEK 0.4 million.

Financing risk/liquidity risk.

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

The Board has established policies for limits, division of responsibilities, follow-up and contingency plans.

31/12/2021 Interest period										
Assets	0-1 months	2-3 months	4-6 months	7-12 months	1-2 years	2-3 years	3-4 years	4-5 years	No fixed rates	Total
Cash and balances in Central banks	4,249,838	-	-	-	-	-	-	-	-	4,249,838
Loans to credit institutions	644,775	-	-	-	-	-	-	-	-	644,775
Loans to the general public	17,454,598	8,871,558	-	-	-	-	-	-	-	26,326,156
Financial assets at fair value	-	-	-	-	-	-	-	-	5,165	5,165
Treasury bills and other interest bearing securities	5,432,489	17,352,675	2,812,083	7,472,622	437,313	195,564	-	-	-	33,702,746
Bonds and other interest bearing securities	3,413,818	5,188,207	1,337,639	629,378	374,256	-	34,952	-	-	10,978,250
Reinvested assets in the insurance business	275,739	880,777	142,734	379,291	22,197	9,926	-	-	-	1,710,664
Other assets	-	-	-	-	-	-	-	-	156,637,229	156,637,229
Total assets	31,471,257	32,293,217	4,292,456	8,481,291	833,766	205,490	34,952	-	156,642,394	234,254,823
Liabilities										
	Total									
Deposits and borrowing from the general public	64,286,693	-	-	-	-	-	-	-	-	64,286,693
Other liabilities	-	-	-	-	-	-	-	-	162,267,365	162,267,365
Total liabilities	64,286,693	-	-	-	-	-	-	-	162,267,365	226,554,058
Difference between assets and liabilities	-32,815,436	32,293,217	4,292,456	8,481,291	833,766	205,490	34,952	-	-5,624,971	7,700,765
Adopted remaning interest period, year (present value)	0.04	0.21	0.42	0.79	1.50	2.50	3.50	4.50		
Adopted interest rate change, %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Risk weight	0.08%	0.42%	0.84%	1.58%	3.00%	5.00%	7.00%	9.00%		
Total net interest risk	-26,252	135,632	36,057	134,004	25,013	10,275	2,447	-		317,714

31/12/2020 Interest period										
Assets	0-1 months	2-3 months	4-6 months	7-12 months	1-2 years	2-3 years	3-4 years	4-5 years	No fixed rates	Total
Cash and balances in Central banks	3,100,458	-	-	-	-	-	-	-	-	3,100,458
Loans to credit institutions	2,895,732	-	-	-	-	-	-	-	-	2,895,732
Loans to the general public	13,818,672	6,493,184	-	-	-	-	-	-	-	20,311,856
Financial assets at fair value	-	-	-	-	-	-	-	-	7,314	7,314
Treasury bills and other interest bearing securities	7,006,033	13,226,124	9,151,966	579,115	114,183	154,196	47,942	-	-	30,279,559
Bonds and other interest bearing securities	573,117	840,928	198,332	310,256	413,807	-	-	-	-	2,336,440
Reinvested assets in the insurance business	1,270,144	2,397,802	1,659,186	104,989	20,701	27,955	8,692	-	-	5,489,468
Other assets	-	-	-	-	-	-	-	-	111,353,871	111,353,871
Total assets	28,664,156	22,958,038	11,009,484	994,360	548,691	182,151	56,634	-	111,361,185	175,774,698
Liabilities										
	Total									
Deposits and borrowing from the general public	52,552,788	-	-	-	-	-	-	-	-	52,552,788
Other liabilities	-	-	-	-	-	-	-	-	111,228,534	111,228,534
Total liabilities	52,552,788	-	-	-	-	-	-	-	111,228,534	163,781,322
Difference between assets and liabilities	-23,888,632	22,958,038	11,009,484	994,360	548,691	182,151	56,634	-	132,651	11,993,377
Adopted remaning interest period, year (present value)	0.04	0.21	0.42	0.79	1.50	2.50	3.50	4.50		
Adopted interest rate change, %	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%		
Risk weight	0.08%	0.42%	0.84%	1.58%	3.00%	5.00%	7.00%	9.00%		
Total net interest risk	-19,111	96,424	92,480	15,711	16,461	9,108	3,964	-		215,036

Maturity review 2021							
In the maturity review, non-discounted cash flows are allocated based on the remaining maturity.							
Remaining maturity 2021	Payable on request	Max 3 months	3 months-1 year	1-5 years	5-10 years	Without maturity	Total
Assets							
Cash and balances in Central banks	-	-	-	-	-	4,249,838	4,249,838
Treasury bills and other interest bearing securities	-	975,176	4,902,335	27,825,235	-	-	33,702,746
Loans to credit institutions	644,775	-	-	-	-	-	644,775
Loans to the general public	13,262,104	4,505	8,637	434,653	12,616,256	-	26,326,156
Bonds and other interest bearing securities	-	4,058,694	2,737,820	4,181,736	-	-	10,978,250
Shares and participations	-	-	-	-	-	5,165	5,165
Assets for which customers bear the investment risk	152,165,467						152,165,467
Other assets	-	2,636,490	-	-	-	1,835,272	4,471,762
Total assets	166,072,346	7,674,865	7,648,792	32,441,624	12,616,256	6,090,275	232,544,159
Liabilities							
Deposits and borrowing from the general public	64,286,693	-	-	-	-	-	64,286,693
Liabilities for which customers bear the investment risk	152,168,288	-	-	-	-	-	152,168,288
Lease liability	-	17,000	23,575	129,843	24,711	-	195,129
Other liabilities and equity	-	2,540,876	-	-	-	13,353,173	15,894,049
Total liabilities	216,454,981	2,557,876	23,575	129,843	24,711	13,353,173	232,544,159

Maturity review 2020							
In the maturity review, non-discounted cash flows are allocated based on the remaining maturity.							
Remaining maturity 2020	Payable on request	Max 3 months	3 months-1 year	1-5 years	5-10 years	Without maturity	Total
Assets							
Cash and balances in Central banks	-	-	-	-	-	3,100,458	3,100,458
Treasury bills and other interest bearing securities	-	20,232,157	9,731,081	316,321	-	-	30,279,559
Loans to credit institutions	603,553	-	-	-	-	-	603,553
Loans to the general public	9,822,864	576	7,201	365,337	10,115,878	-	20,311,856
Bonds and other interest bearing securities	-	1,414,045	508,589	413,806	-	-	2,336,440
Shares and participations	-	-	-	-	-	7,314	7,314
Assets for which customers bear the investment risk	102,691,267						102,691,267
Other assets	-	7,059,103	-	-	-	1,603,501	8,662,604
Total assets	113,117,684	28,705,881	10,246,871	1,095,464	10,115,878	4,711,273	167,993,051
Liabilities							
Deposits and borrowing from the general public	52,552,788	-	-	-	-	-	52,552,788
Liabilities for which customers bear the investment risk	102,693,283	-	-	-	-	-	102,693,283
Lease liability	-	16,082	20,635	114,572	48,270	-	199,559
Other liabilities and equity	-	7,600,124	-	-	-	4,947,297	12,547,421
Total liabilities	155,246,071	7,616,206	20,635	114,572	48,270	4,947,297	167,993,051

The Board has decided that Nordnet shall have a low risk appetite for liquidity risk. Nordnet must always have cash and cash equivalents available to manage the daily flows in the operations. Contingencies shall always be in place to handle disruptions, with possibilities to redistribute liquidity quickly or to divest assets. The liquidity portfolio shall consist of investments with good credit quality. Among other things, Nordnet's contingency plan includes risk indicators, a division of responsibilities, a plan of action to generate liquidity and planned measures in connection with serious disruptions. Treasury is responsible for continuously monitoring, analyzing, forecasting, managing and reporting liquidity risks. Liquidity forecasts and various risk measures are reported to the Board on an ongoing basis. Regular stress tests ensure liquidity preparedness under conditions deviating from the normal, such as significant outflows of deposits from the public, disturbances in the capital market and deteriorating repayment behaviour.

Most of Nordnet's lending operations are short-term in nature, with the exception of the residential mortgage product in Sweden. As Nordnet's financing mainly comprises equity, customers' deposits and two issued bonds, the structural liquidity risk is low. In the maturity table (see page 101), deposits from the public are categorized as payable on demand, although the behavioural flow differs from the contractual one as deposits from the public have historically been a long-term and stable source of financing.

Lending to the public in relation to deposits from the public (including deposits from the public included in the item Liabilities where the customer bears the investment risk, which corresponds to cash and cash equivalents in accordance with Note 24) amounts to 35 percent (34) as of the balance sheet date. In Sweden, Nordnet has also issued two so-called AT1 bond loans of SEK 500 million and SEK 600 million to optimize the capital structure and generate scope for continued growth. Nordnet's liquidity risk is reduced by its financing being spread between many customers and several geographical markets, and its payment contingencies are deemed to be very good. Concentrations in deposits, both on a customer and geographical basis, are monitored daily.

Operational risk.

Operational risk consists of the risk of losses due to inappropriate or failed processes, human error, faulty systems or external events. The definition includes legal risk, compliance risk and HR risk. Besides all the risks that may be associated with human error and mistakes, typical examples of operational risks include: computer failure, dependence on key individuals, fraud, inadequate compliance with legislation and internal regulations, or external events, such as fire, natural disasters, sabotage or changes in laws and regulations.

To maintain good internal control of operational risks, Nordnet maintains well-functioning systems and procedures, as well as ongoing training of personnel. The principal responsibility for the management of operational risks lies with the individual departments and functions in the organization. The self-assessment process includes identification and an evaluation of operational risks in all significant processes. The self-assessment is based on a shared method and is documented in a shared systems support. The results are reported annually to the Board and CEO. Based on the self-assessment and incidents having occurred, Nordnet identifies operational risks in its products, services, functions, processes and IT systems. The risk control function supports and guides the divisions in their risk work and performs the independent follow-up of the handling of operational risks and reports to the Board and the CEO.

Given the nature of Nordnet's operations, it follows that IT risks and data security are of considerable importance. Not only does rapid technological development create opportunities, it also entails threats in the form of cyber attacks, insider attacks, IT disruptions and online scams. There is also a risk that the IT infrastructure will become outdated and obsolete.

Cyber threats against the Swedish financial sector are extensive and intrusions can cause downtime in important systems and sensitive data being leaked. For Nordnet, a fundamental concern is maintaining a high level of cyber security with a strong, highly secure, digital outer shell. Over the past two years, Nordnet has also carried out an extensive project to upgrade and replace its IT platform to offer a world-class user experience in terms of interfaces, products and stability.

The project is planned to continue in 2022. Development and outcomes are closely monitored by both Group Management and the Board. A special IT security function works on the identification, prevention and control of risks related to Nordnet's IT systems.

Insurance risk.

(Life) insurance risk refers to the risk of loss as a result of changed customer behaviour or changes in the expenses associated with managing the insurance company's insurance obligations. Insurance risk also arises as a result of changes in demographic or biometric conditions, such as changes in the lifespan of the insured party. For Nordnet, life insurance risk mainly encompasses customer behaviour risk, in the form of the risk that income will be lost as a result of policyholders moving out or repurchasing their insurance to a greater extent than expected or if a large amount of savings is cancelled at one and the same time.

In Nordnet's insurance business, the main insurance risk lies in customer choices that risk having a negative impact on the company's future earnings, such as the risk of cancellations in the form of repurchases or transfers of insurance. To reduce the financial impact of cancellations, the insurance companies have taken out a reinsurance solution that to some extent mitigates the cancellation risk.

The insurance operations comprise traditional policies with conditional bonuses (custodial insurance) and mutual fund insurance in which the insured party bears its own investment risk. This means that the company's financial risk is very limited. In traditional insurance policies with periodic pay-outs, there is a guarantee over the first five years of the pay-out period. The guarantee amount totals 3 percent, in accordance with conditions guaranteeing 15 percent of the insurance capital, which is spread over 5 years.

Insurance provisions for guaranteed commitments amounted to SEK 42 million (35), corresponding to 0.03 percent (0.04) of total insurance technical provisions.

Sustainability risk.

Sustainability risk refers to the risk of any negative financial or brand consequences for Nordnet as a consequence of current or future effects of sustainability

factors. Sustainability factors are environmental, social or governance characteristics that can have a positive or negative impact on the financial development of an entity, such as a state, company or individual. Sustainability factors are closely associated with risks and they affect risks within the aforementioned categories.

Nordnet is exposed to sustainability risk primarily through its lending to the public, through investments in the liquidity portfolio and in its operational processes. Management therefore forms an integral part of the frameworks for credit risk, market risk and operational risk. In addition, Nordnet is exposed to long-term effects on its brand and growth due to customers' future expectations and behaviours linked to sustainability.

Nordnet reports on sustainability in accordance with the GRI standards and prepares a Sustainability Report detailing the consequences of our operations (in accordance with ÅRL). Nordnet also reports in accordance with the Taxonomy Regulation and has made information available in line with the Disclosure Regulation.

Coronavirus.

Like 2020, most of 2021 was been marked by coronavirus and the impact of the contagion on all parts of society. As a company, Nordnet quickly changed its operational model, enabling most employees to work remotely, which worked well from a process perspective and gained a high level of acceptance from employees. Nordnet has adhered to the Public Health Agencies' recommendations in each country, with employees returning to work at our offices in the late autumn.

During the pandemic, measures were also taken to secure continued sound credit provision, taking coronavirus-related risks, such as increased unemployment, into account. We can affirm that this model worked well and that the company's confirmed credit losses did not increase significantly over the year. During the final quarter of 2021, Nordnet adjusted the model for expected credit losses to a more normal situation following the increased provisions during the coronavirus pandemic.

Not 8 Group - Income from customer contracts.

2021	Sweden	Norway	Denmark	Finland	Total
Commission income - transaction-related	488,812	460,353	532,196	603,786	2,085,146
Currency exchange income	186,191	198,334	244,298	123,040	751,863
Commission income - non transaction-related	307,104	178,484	33,237	22,770	541,596
Other commission income	39,516	18,383	23,770	16,101	97,768
Total	1,021,622	855,553	833,501	765,697	3,476,373
Income associated with IPOs and company events	33,579	7,232	16,037	58,126	114,974
Other operating income	12,962	6,513	9,570	12,957	42,001
Total	1,068,163	869,298	859,107	836,780	3,633,348
Timing of revenue recognition					
Service gradually transferred to customer	-	-	-	-	-
Service transferred to customer at one point in time	1,068,163	869,298	859,107	836,780	3,633,348

2020	Sweden	Norway	Denmark	Finland	Total
Commission income - transaction-related	438,520	348,477	409,470	486,441	1,682,907
Currency exchange income	134,671	116,230	183,270	77,597	511,768
Commission income - non transaction-related	224,285	87,364	19,416	15,166	346,232
Other commission income	33,906	10,262	14,554	9,675	68,398
Total	831,382	562,333	626,711	588,879	2,609,305
Income associated with IPOs and company events	17,308	2,458	5,422	15,166	40,355
Other operating income	8,191	3,125	5,144	11,808	28,269
Total	856,881	567,916	637,277	615,854	2,677,929
Timing of revenue recognition					
Service gradually transferred to customer	-	-	-	-	-
Service transferred to customer at one point in time	856,881	567,916	637,277	615,854	2,677,929

Note 9 Group – Commission income and commission expenses.

	2021	2020
Commission income		
Commission income - transaction related ¹	2,085,142	1,682,835
Commission income - not transaction related ²	639,404	414,732
Currency exchange income	751,859	511,772
Total commission income	3,476,405	2,609,339
Commission expenses		
Commission expenses - transaction related	-546,361	-473,878
Commission expenses - not transaction related	-200,442	-114,784
Total commission expenses	-746,803	-588,662
Net commission	2,729,602	2,020,677
Of which attributable to financial assets and liabilities valued at fair value via the income statement.	-	-

¹ Transaction-related income refers to net commission income from customers' trading in exchange-traded securities.

² Non-transaction-related income refers primarily to net income related to customers' mutual fund savings.

Note 10 Group – Interest income and interest expenses.

	2021	2020
Interest income		
Interest income on loans to credit institutions	158,675	119,111
Interest income on interest-bearing securities	84,219	113,543
Interest income on loans to the general public	691,110	546,095
Other interest income	11,164	8,364
Total interest income	945,168	787,113
Interest expenses		
Interest expenses for liabilities to credit institutions	-21,756	-8,273
Interest expenses on interest-bearing securities	-74,411	-72,676
Interest expenses for deposits and loans to the general public	-220	-5,446
Other interest expenses	-131,642	-97,162
Total interest expenses	-228,029	-183,557
Net interest income	717,139	603,556
Of which attributable to financial assets and liabilities valued at fair value via the income statement.		
Interest income	35,693	54,496
Interest expense	-33,997	-44,836

During the year, average interest on lending to the public was 2.80 percent (3.04). During the year, average interest on deposits from the public was 0.0 percent (0.01). Over the year, average interest on lending, excluding "account credits", which are fully covered by pledged cash and cash equivalents in endowment insurance plans, was 2.97 percent (3.25).

Note 11 Group – net result from financial transactions.

	2021	2020
Capital gains/losses, shares and participations	3,840	-9,931
Unrealised value changes, shares and participations	279	-678
Capital gains/losses, interest-bearing securities	22,716	6,548
Exchange income	-8,861	-10,163
Total net result from financial transactions	17,974	-14,224
Net profit/Net loss per category		
Fair value through profit and loss	4,119	-10,609
Fair value through other comprehensive income	22,716	6,548
Exchange income ¹	-8,861	-10,163
Total	17,974	-14,224

Note 12 Group – other operating income.

	2021	2020
Other account-related side-income	13,584	6,700
Fees from customers private loans	2,630	3,359
Revenues from market activities	3,855	10,133
Rental income	2,502	2,023
Fee for unlisted shares	5,079	4,422
Revenues related to IPOs	114,974	35,054
Other operating income	21,106	7,032
Total	163,731	68,723

Note 13 Group – General transaction costs.

General administration expenses	2021	2020
Personnel expenses	-591,221	-539,121
Rental and property expenses	-20,469	-27,567
Other operational leasing expenses	-1,578	-2,015
Information expenses	-31,270	-37,582
System and communication expenses	-161,838	-150,869
Purchased services	-57,010	-158,072
Other general administration expenses	-54,151	-76,443
Total general administration expenses	-917,537	-991,669

Cont. Note 13 Group – General transaction costs.

Average number of employees covers the following geographical markets	2021	2020
Sweden	542	466
- of whom women	194	166
- of whom men	348	300
Norway	34	30
- of whom women	8	7
- of whom men	26	23
Finland	36	34
- of whom women	16	16
- of whom men	21	18
Denmark	42	31
- of whom women	24	15
- of whom men	18	16
Total	654	561
- of whom women	242	204
- of whom men	412	357
Number of full-time employees at year-end	648	571
Of whom parent company	1	1
- of whom women	-	-
- of whom men	1	1

	Parent company		Group	
Distribution of personnel expenses	2021	2020	2021	2020
Salaries and other remuneration	-7,218	-6,879	-453,323	-404,271
Social insurance contributions	-5,546	-5,238	-194,597	-173,294
- of which pension expenses incl social security expenses	-3,243	-2,923	-73,207	-65,870
Other personnel expenses	-443	-597	-28,967	-21,452
Total personnel expenses	-13,207	-12,714	-676,887	-599,017
Of which capitalized personnel expenses	-	-	85,666	59,896
Total expensed personnel expenses	-13,207	-12,714	-591,221	-539,121

Cont. Note 13 Group – General transaction costs.

	2021		2020	
	Salaries and other remuneration ¹	Social security expenses (of which pension expenses incl. social security expenses)	Salaries and other remuneration ¹	Social security expenses (of which pension expenses incl. social security expenses)
Group	-459,214	-194,597 (-73,207)	-410,776	-173,294 (-65,870)
Of which Board members, Chief Executive Officer and corresponding officials	-32,682	-15,476 (-7,373)	-29,405	-14,726 (-6,659)
Parent company ²	-10,818	-5,546 (-3,243)	-9,154	-5,238 (-2,923)
Of which Board members and Chief Executive Officer	-10,818	-5,546 (-3,243)	-9,154	-5,238 (-2,923)

¹ Remuneration to the Board is reported among administrative expenses in the Parent Company and the Group.

² The Parent Company has only one employee (CEO).

2021	Fixed remuneration	Benefits	Pension expenses	Fees	Total
Board Chairman					
Tom Dinkelspiel	-	-	-	-550	-550
Other board members					
Charlotta Nilsson	-	-	-	-375	-375
Jan Dinkelspiel	-	-	-	-425	-425
Christian Frick	-	-	-	-375	-375
Hans Larsson	-	-	-	-600	-600
Per Widerström	-	-	-	-400	-400
Karitha Ericsson	-	-	-	-425	-425
Anna Bäck	-	-	-	-375	-375
Chief Executive Officer					
Lars-Åke Norling	-7,106	-107	-2,486		-9,698
Deputy Chief Executive Officer					
Rasmus Järborg	-479	-12	-60		-551
Other senior executives					
9 people on average (whereof 1 consultant)	-19,997	-381	-3,388		-23,766
Total	-27,582	-500	-5,934	-3,525	-37,541

Board fees refer to the period April 2021 – March 2022.

Rasmus Järborg is Deputy CEO since 16th of November 2021. Remuneration refers to the period 16th of November-31st of December 2021.

Cont. Note 13 Group – General transaction costs.

2020	Fixed remuneration	Benefits	Pension expenses	Fees	Total
Board Chairman					
Tom Dinkelspiel	-	-	-	-475	-475
Other board members					
Christopher Ekdahl	-	-	-	-475	-475
Jan Dinkelspiel	-	-	-	-400	-400
Christian Frick	-	-	-	-425	-425
Hans Larsson	-	-	-	-600	-600
Per Widerström	-	-	-	-400	-400
Karitha Ericsson	-	-	-	-425	-425
Anna Bäck fr.o.m 200423	-	-	-	-400	-400
Chief Executive Officer					
Lars-Åke Norling	-6,772	-107	-2,352		-9,231
Other senior executives					
9 people on average (whereof 1 consultant)	-19,997	-246	-3,007		-23,250
Total	-26,769	-353	-5,359	-3,600	-36,080

Board fees refer to the period April 2020 – March 2021.

Board of Directors.

Remuneration is paid to Board Members in accordance with a decision by the Extraordinary General Meeting on 10 September 2021. Remuneration paid to Board Members in 2021 amounted to SEK 3,600 thousand (2,275). For work on the Board's committees, fees of SEK 25,000 per committee in which a Board Member participates shall be paid. A fee of SEK 50,000 shall be paid to each committee chairman. For work on the Risk and Compliance Committee, a fee of SEK 150,000 shall be paid to the chairman and fees of SEK 75,000 shall be paid to each of the other members. No other remuneration has been paid to the Board apart from minor travel expenses. There are no other agreements concerning pensions or severance pay.

Nordnet Bank offers personnel credits to employees within the Group. The company has granted credits for margin lending of SEK 9.2 million (10) to Board Members, residential mortgages of SEK 19 million (10) to a Board Member and two persons associated with the Board, with the utilized credits totalling SEK 19 million (10). The credits were issued on market terms.

The table Remuneration of senior executives above includes expenses for Board fees for the 2021 financial year. These are disbursed by Nordnet AB (publ).

The Board comprises 5 (6) men and 3 (2) women. The discussion and decision process applied with regard to remuneration to the Chairman of the Board takes place within the Board. Remuneration to the Board has been distributed in accordance with the Annual General Meeting's resolution. For details of Board Members' shareholdings, see the section about the Board on page 54 and onwards in the Corporate Governance Report.

Chief Executive Officer.

The expense for occupational pension in 2021 amounted to 35 percent of pensionable salary. Pensionable salary refers to the basic salary including holiday pay. For the CEO, general rules on retirement age apply. The period of notice from the company to the CEO is 12 months, and the period of notice from the CEO to the company is 6 months.

The preparation and decision process applied with regard to remuneration and other terms for the CEO is a matter for the Board of Directors. The Board's preparation of remuneration issues is handled by the Remuneration Committee. Information about the Remuneration Committee appears in the Corporate Governance Report.

Cont. Note 13 Group – General transaction costs.

Deputy CEO and other senior executives.

Deputy CEO and other senior executives are defined as members of Group Management, excluding the CEO. The Group Management team changed over the year, and as of 31 December 2021 it amounted to 9 (9) people besides the CEO, of whom 6 (6) are men and 3 (3) are women. One person is employed at Nordnet Bank's Norwegian branch, one is employed at Nordnet Bank's Finnish branch and one is employed at Nordnet's Danish branch – all others are employed in Sweden. Remuneration in the above table relates to the time each individual has been part of the Group Management team. Any salary adjustments or other remuneration for the company's management is proposed by the CEO to the Remuneration Committee, which has been commissioned by the Board to discuss such issues. Beyond paid health insurance, Group Management receives no special additional benefits.

For Deputy CEO and other senior executives, a notice period of six months applies on termination by the company, with the exception of one individual for whom the notice period, on termination by the company, is 11 months. For Deputy CEO and other senior executives, a notice period of six months applies on resignation by the employee, with the exception of one individual for whom the resignation period is four months. For Deputy CEO and other senior executives, the general rules on retirement age in the individual's country of employment are applied.

Nordnet Bank offers personnel credits to all Group employees. As of 31 December 2021, the company had provided margin, residential mortgages and personal loans to senior executives totalling SEK 11,875 thousand (8,163), of which utilized credits totalled SEK 6,100 thousand (1,937). Interest on unutilized credits with regard to residential mortgages incurs taxation of benefits. No provisions relating to bad debts or expenses relating to bad debts to related parties have

been reported during the financial year.

Remuneration Policy.

The Group has adopted a Remuneration Policy regulating the system of remuneration for employees. The purpose of this Credit Policy is to establish a remuneration system for the Group that promotes sound and efficient risk management and that does not encourage excessive risk-taking. According to the Credit Policy, the Group applies the general principle that employees receive fixed remuneration based on their responsibilities and tasks. Employees in the independent functions receive only fixed remuneration. The members of all boards receive a fixed fee for their board assignment. Nordnet employees holding board assignments receive no compensation for this.

An account of the company's remuneration system and an analysis of the risks associated with the remuneration system will be available on Nordnet's website in connection with the publication of the Annual Report.

Pension Policy.

The Group's Pension Policy is a defined contribution plan applicable to all personnel within the Group. Pension expenses for the Group average approximately 16.1 percent (16.2) of pensionable salary, depending on age and salary.

Share-based incentive programs.

LTIP 2021

The Extraordinary General Meeting on 28 October 2021 resolved to establish a warrant program for all Group employees. A total 862,695 warrants were issued at a market value of SEK 16.40 per warrant. The number of warrants issued to each participant depended on the participant's function in the Group. Each warrant can be exercised to subscribe for one (1) share in Nordnet AB (publ) during a subscription period running for two weeks following the publication of Nordnet

Program	Subscription period	CEO	Other board members	Other members	Overdue / Repurchase	Total
LTIP 2020	16/10/2023 - 30/11/2023	693,481	2,080,440	3,206,628	-86,695.00	5,893,854
LTIP 2021	14/10/2024 - 9/12/2024 alt 13/1/2025-24/3/2025	15,243	112,801	734,651		862,695

Cont. Note 13 Group – General transaction costs.

AB's (publ) interim report for the third quarter of 2024 or two weeks following the publication of Nordnet AB's (publ) interim report for the first quarter of 2025. The subscription price per share for the warrants amounted to 120 percent of Nordnet's average share price over the measurement period of 1 November – 8 November 2021. Furthermore, if Nordnet AB's (publ) share price exceeds 180 percent of the volume-weighted average of the company's closing price over the measurement period, a lower number of shares shall be calculated than each warrant would otherwise entitle subscription for.

The warrants were transferred on market terms at a fair value determined applying the Black-Scholes valuation model.

LTIP 2020

At the Extraordinary General Meeting on 24 November 2020, a decision was made to issue warrants as part of an incentive program for all Nordnet Group employees. Combined, the incentive program comprises 5,980,549 warrants and was issued to participants at a market value of SEK 7.21 per warrant. The number of warrants issued to each participant depended on the participant's function in the Group.

Each warrant can be exercised to subscribe for one (1) share in Nordnet AB (publ) during a subscription period extending four weeks following the publication of Nordnet AB's (publ) interim report for the third quarter of 2023. The subscription price for the warrants

corresponds to 133 percent of the introductory price of SEK 96 on 25 November 2020, and may not be less than the quota value of Nordnets AB's (publ) shares. Furthermore, if Nordnet AB's (publ) average share price exceeds 195 percent of the introductory price in connection with the new subscription of shares exercising the warrants, a lower number of shares shall be calculated than each warrant would otherwise entitle subscription for. The fair value of the options allocated was determined using the Black-Schole's valuation model.

Important inputs in the valuation model are the value of the underlying share at the time of valuation, exercise price, volatility, expected maturity of the options and an annual, risk-free interest rate, corresponding to a three-year Swedish government bond yield. As Nordnet was first listed on the stock exchange in connection with the issuance of the first option program, the volatility is based on the historical volatility of companies with which Nordnet considers itself closely comparable. For the second program, the share's last 90 days of volatility are also taken into account, measured from 5 November 2021.

Nordnet's expenses for the incentive programs, in addition to expenses for preparing and administrating the incentive program, are limited to expenses incurred in Norway regarding social security contributions. Expenses amounted to SEK 1,153.7 thousand (0) and are

Summary of issued and outstanding warrants in warrant programs.

	2021		2020	
	Average exercise price in SEK per option	Number of options	Average exercise price in SEK per option	Number of options
Number of warrants issued				
Opening number of warrants issued	127,68	5 980 549		
Warrants forfeited				
New warrants program	213,42	862 695	127,68	5 980 549
Total number of warrants issued	135,94¹	6 843 244	127,68	5 980 549
Outstanding warrants issued				
Opening number of warrants outstanding	127,68	5 980 549		
Warrants subscribed during the year	213,42	862 695	127,68	5 980 549
Less warrants repurchased during the year	125,10	-86 695		
Total warrants outstanding	136,08¹	6 756 549	127,68	5 980 549
Weighted average remaining agreed maturity at end of year		2,01 years		2,91 years

¹The redemption price has been adjusted downwards due to payment of dividend
No options could be exercised

Cont. Note 13 Group – General transaction costs.

reported as part of the personnel expenses. These expenses are affected by Nordnet AB's (publ) share price at the time when the options are exercised. Nordnet has no legal or informal obligation to repurchase or settle the options in cash. The number of warrants that can be subscribed for by the participants in the incentive programs may give rise to a total dilution effect of at most 2.4 percent of Nordnet AB's (publ) share capital. For more information, see Note 32 Equity.

Audit.

Audit services refer to the statutory audit, i.e. the reviewing of the Annual Report, the accounts and the administration by the Board of Directors and Managing Director. Audit services also include any other tasks that the auditor for the Group and the Parent Company is required to perform.

Activities beyond the audit assignment involve quality assurance measures, that is to say, in part, any review of management, the Articles of Association, statutes or agreements intended to result in a report, certificate or other document addressed to a party other than the principal and, in part, advice or other assistance occasioned by observations made during an audit. Reviews of interim financial reports are included in the audit assignment outside the assignment. Tax advice includes advice on income taxes and VAT. Auditing activities beyond the audit assignment in 2020 also included services attributable to the IPO of Nordnet AB (publ), which amounted to SEK 7,575 thousand.

Other services include advice on accounting issues, services in connection with corporate/business changes and operational efficiency.

Auditing costs.

Deloitte	2021	2020
Audit services	-5,547	-7,762
Audit services outside the assignment	-4,474	-8,770
Tax advice	-475	-512
Other services	-325	-54
Total	-10,821	-17,098

Cont. Note 13 Group – General transaction costs.

Leases.

Nordnet leases office space and cars. Leases are normally drawn up for fixed periods of between three and five years, although there may also be possibilities for extension. The terms for each agreement are negotiated separately and contain a large number of different contractual terms. Although the leases do not include any specific terms that would entail their termination if the terms were not met, leased assets may not be used as collateral for loans.

Lease payments are discounted at the marginal loan rate. Nordnet has chosen to use the rate corresponding to a five-year Swedish government bond +2 percent as an approximation for the marginal loan rate for premises leases. As of 31 January 2021, Nordnet's weighted average marginal borrowing rate was 2.0 percent (1.7). A variable interest rate is stated in the vehicle leases.

Recognised in the balance sheet 2020 - IFRS 16	2021	2020
Assets with Right of use, reported under "tangible fixed assets"		
Office facilities	184,606	193,522
Cars	6,200	2,886
Total	190,806	196,408
Leasing liabilities, reported under "Other liabilities"		
Short-term	59,915	53,341
Long-term	135,317	146,258
Total	195,232	199,599
Depreciation of Right of use		
Office facilities	35,359	35,234
Cars	1,241	1,014
Total	36,600	36,248
Interest expenses (included in financial expenses)	3,884	4,306
Expenses attributable to short-term leases	6,788	6,451
Expenses attributable to low value leasing agreements (not short-term leasing)	518	1,154
Expenses attributable to variable lease payments that are not included in lease liabilities	12,573	13,544
Revenue from subletting of Right of use	2,502	2,023
Cash flow attributable to leasing agreements	30,353	34,509

Note 14 Group – Amortization, depreciation and impairment of tangible and intangible assets.

	2021	2020
Brands, amortization	-	-7,005
Customer relations, amortization	-28,145	-27,980
Capitalized expenditure on development work, depreciation	-69,689	-58,667
Capitalized expenditure on development work, write-downs	-	-2,384
Tangible assets, depreciation	-28,266	-25,835
Right-of-use assets	-36,600	-36,248
Total	-162,700	-158,119

Note 15 Group – Other operating expenses.

	2021	2020
Marketing and sales	-52,321	-29,306
Bank expenses	-5,885	-7,409
Corporate insurance	-2,493	-6,916
Total	-60,699	-43,631

Note 16 Group – Credit losses, net.

	2021	2020
Change of the year, stages		
Loan receivables stage 1	-2,887	81
Loan receivables stage 2	50	3,198
Loan receivables stage 3	1,749	-9,615
Total	-1,088	-6,336
Confirmed credit losses		
Write-off for the period for confirmed losses	-35,282	-32,371
Recoveries of previously confirmed losses	28	4
Total	-35,254	-32,367
Total net credit losses for the period	-36,342	-38,703

For provisions by product, see Note 21.

Note 17 Group – Taxes.

	2021	2020
Tax charged to income		
Current tax expense (-)/ tax income (+)		
Adjustment current tax for previous years	-671	-3,543
Current tax	-475,873	-270,646
Deferred tax expense (-)/ tax income (+)		
Deferred tax related to temporary differences	10,026	312
Tax on net income for the year	-466,518	-273,877

Cont. Note 17 Group – Taxes.

Reconciliation of effective tax		2021	2020
Profit before tax		2,451,168	1,446,610
Tax expense in the income statement	-19.0%	-466,518	-273,877
Tax as per current tax rate for the Parent Company	-20.6%	-504,941	-309,575
Difference	1.6%	38,423	2.5%
The difference consists of the following items:			
Effect of profit charged with tax on returns	2.6%	63,648	52,511
Effect of non-deductible expenses/non-taxable income	0.0%	740	8,758
Effect of non-deductible foreign tax	-0.8%	-20,759	-10,824
Effect of corrected tax from previous years	0.0%	-671	-3,543
Effect of untaxed reserves	0.0%	-	-8,013
Effect of implementation of IFRS 16	-0.2%	-4,938	-
Effect of tax deficits	0.0%	286	-1,086
Others	0.0%	117	-2,105
Reported effective tax	1.8%	38,424	2.5%
Deferred tax, recognised in the balance sheet		2021	2020
Opening balance, deferred tax assets		634	2,798
Recognized in the income statement		247	-2,066
The year's translation difference		14	-98
Closing balance, deferred tax asset		895	634
Deferred tax is attributable to:			
Financial lease		895	634
		895	634
Opening balance, deferred tax liabilities		-73,231	-82,554
Recognised in the income statement		9,779	10,391
Untaxed reserves		-	-8,013
Conversion differences for the year		-2,201	6,945
Closing balance, deferred tax liabilities		-65,653	-73,231
Deferred tax is attributable to:			
Untaxed reserves		-6,280	-8,013
Temporary differences in depreciation		-55,297	-61,502
Other provisions		-4,076	-3,716
Total		-65,653	-73,231

The current tax asset of SEK 587 thousand (12,159) is mainly attributable to Nordnet Bank AB

The current tax liability of SEK 329,596 thousand (199,995) is mainly attributable to Nordnet Bank AB and Nordnet Pensionsförsäkring AB

These taxes will be paid during 2022.

Note 18 Group – Segments.

2021					
Market (SEK million)	Sweden	Norway	Denmark	Finland	Total
Commission income					
Commission income - transaction-related	488,808	460,353	532,196	603,786	2,085,142
Commission income - non transaction-related	346,659	196,867	57,007	38,871	639,404
Currency income	186,187	198,334	244,298	123,040	751,859
Total commission income	1,021,654	855,553	833,501	765,697	3,476,405
Commission expenses	-216,151	-293,401	-87,665	-149,586	-746,803
Net commission income	805,503	562,152	745,836	616,111	2,729,602
Net interest income					
Net interest income	455,833	169,701	72,978	18,627	717,139
Net result of financial transactions	15,411	1,777	910	-124	17,974
Other operating income	47,448	15,486	27,387	73,410	163,731
Total operating income	1,324,194	749,116	847,112	708,024	3,628,446
Total operating expenses					
Total operating expenses	-448,089	-243,284	-223,057	-226,506	-1,140,936
Result before credit losses	876,105	505,832	624,054	481,519	2,487,510
Net credit losses	-35,734	-1,439	325	507	-36,342
Operating profit	840,371	504,393	624,379	482,025	2,451,168

No customer accounts for more than 10 percent of the Group's income.

Cont. Note 18 Group – Segments.

2020

Market (SEK million)	Sweden	Norway	Denmark	Finland	Total
Commission income					
Commission income - transaction-related	440,389	346,200	409,257	486,992	1,682,839
Commission income - non transaction-related	257,632	97,848	34,144	25,108	414,732
Currency income	133,147	116,661	184,137	77,820	511,765
Total commission income	831,168	560,709	627,537	589,921	2,609,335
Commission expenses	-177,783	-177,740	-88,085	-145,058	-588,666
Net commission income	653,385	382,969	539,453	444,862	2,020,670
Net interest income¹	423,621	142,176	31,707	6,052	603,556
Net result of financial transactions	-296	-4,755	-5,036	-4,129	-14,217
Other operating income	30,043	-79	10,995	27,766	68,725
Total operating income	1,106,753	520,311	577,119	474,551	2,678,734
Total operating expenses	-473,172	-259,780	-220,738	-239,704	-1,193,393
Result before credit losses	633,581	260,532	356,381	234,847	1,485,341
Net credit losses	-38,767	-52	-67	182	-38,704
Operating profit	594,814	260,480	356,314	235,029	1,446,637

Note 19 Group – Treasury bills and other interest bearing securities eligible for refinancing

	2021	2020
Collateralized mortgage bonds	26,008,719	20,448,685
States and state exposure	2,128,226	4,333,347
Municipalities	5,565,801	5,395,498
Other treasury bills	-	102,029
Total	33,702,746	30,279,559

A loss provision in Stage 1 is included in the amount of SEK 1,293 thousand (442) in the table above.

Note 20 Group – Lending to credit institutions.

	2021	2020
Liquid assets	2,538,016	2,895,732
Contains of		
Loans to credit institutions ¹	1,893,241	2,292,179
Assets in the insurance business	644,775	603,553

¹ Assets in the insurance business are included in the item Assets where the customer bears the investment risk.

Note 21 Group – Lending to the public.

2021	Residential mortgages		Margin loans		Personal loans	
TSEK	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses
Stage 1	8,600,357	-3,115	13,281,450	-390	3,966,358	-20,459
Stage 2	271,202	-35	39,766	-1,605	143,715	-19,560
Stage 3	-	-	15,913	-9,846	112,592	-50,183
Total	8,871,559	-3,151	13,337,129	-11,841	4,222,665	-90,201

2020	Residential mortgages		Margin loans		Personal loans	
TSEK	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses
Stage 1	4,715,177	-	9,762,215	-313	3,768,451	-21,615
Stage 2	1,778,006	-7	57,999	-790	221,476	-20,454
Stage 3	-	-	25,666	-22,080	87,822	-39,697
Total	6,493,183	-7	9,845,880	-23,183	4,077,749	-81,766

Margin loans		New model		Previous model	
2021	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses	
Stage 1	13,281,450	-390	13,217,788	-617	
Stage 2	39,766	-1,605	99,492	-1,506	
Stage 3	15,913	-9,846	19,849	-17,072	
Total	13,337,129	-11,841	13,337,129	-19,195	

Residential mortgages		New model		Previous model	
2021	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses	
Stage 1	8,600,357	-3,115	6,400,445	-	
Stage 2	271,202	-35	2,471,114	-10	
Stage 3	-	-	-	-	
Total	8,871,559	-3,151	8,871,559	-10	

Personal loans		New model		Previous model	
2021	Amortized cost	Provisions for expected credit losses	Amortized cost	Provisions for expected credit losses	
Stage 1	3,966,358	-20,459	3,961,573	-20,902	
Stage 2	143,715	-19,560	148,500	-13,548	
Stage 3	112,592	-50,183	112,591	-48,704	
Total	4,222,665	-90,201	4,222,665	-83,154	

Cont. Note 21 Group – Lending to the public.

Consolidated credit loss reserve - total lending to the public	Stage 1	Stage 2	Stage 3	Total
Opening balance January 1, 2021	21,928	21,251	61,777	104,956
Currency effects and other	206	81	2,564	2,851
Write-downs recognized credit losses	-242	-3,860	-13,937	-18,039
New financial assets	7,324	2,115	8,767	18,206
Transfers and reservation changes: ¹				
-to 12-month expected credit losses	-2,304	-7,670	-2,888	-12,862
-to expected maturity credit losses (no default)	-649	6,273	-288	5,337
-to expected maturity credit losses (default)	-236	-1,446	13,866	12,184
Repayment	-4,508	-1,679	-2,085	-8,273
Changes in models/parameters	-556	6,136	-5,747	-166
Extra reservation, management overlay	3,000	-	-2,000	1,000
Closing balance December 31, 2021	23,964	21,201	60,028	105,193

Consolidated credit loss reserve - total lending to the public	Stage 1	Stage 2	Stage 3	Total
Opening balance January 1, 2020	21,984	24,450	52,231	98,665
Currency effects and other	-340	-36	631	255
Write-downs recognized credit losses	-56	-3,752	-3,430	-7,238
New financial assets	6,014	2,090	2,410	10,514
Transfers and reservation changes: ¹				
-to 12-month expected credit losses	-223	-4,984	-818	-6,025
-to expected maturity credit losses (no default)	-1,058	10,339	-111	9,170
-to expected maturity credit losses (default)	-172	-1,396	11,456	9,888
Repayment	-4,221	-5,460	-2,592	-12,273
Changes in models/parameters	-	-	2,000	2,000
Closing balance December 31, 2020	21,928	21,251	61,777	104,956

¹ The three lines showing transfers and changes in provisions reflect the three stages in accordance with IFRS 9. Each line shows how the provisions for each stage changed over the year. The provisions for the loans transferred to another stage have been removed and the provisions for the loans added from the other two stages have been included. In addition, the change in provisions is added for loans remaining in the same stage. The change in provisions, despite the loan remaining at the same stage, is due to the credit risk on the loan changing over the year. The decrease in the provision may be due to the customer being considered less risky, to the macroeconomic outlook having improved, or to the size of the loan having decreased.

Cont. Note 21 Group – Lending to the public.

For margin lending and residential mortgages, analyses and stress tests show a low correlation between macroeconomic forecasts and expected credit losses. Instead, it is the customers' portfolio concentrations and unforeseen events in the market that will lead to future credit losses, which is not reflected in macroeconomic forecasts. Accordingly, the macro variables are not included as an individual variable in the calculations of the provisions for margin lending and residential mortgages.

However, the macro variables are included in assessing the probability of different scenarios (base, positive, negative), which affects the calculation of expected credit losses.

For personal loans, there is a high correlation between macroeconomic forecasts and expected credit losses. The impact of macroeconomic factors on the share of total provisions for personal loans is shown in the table below.

2021 - Personal loans	Stage 1	Stage 2	Stage 3	Total
Amortized cost	3,966,358	143,715	112,592	4,222,665
Provisions for expected credit losses	-20,459	-19,560	-50,183	-90,201
of which macro impact	1,148	845	189	2,181
Reservation rate %	1%	14%	45%	2%

2020 - Personal loans	Stage 1	Stage 2	Stage 3	Total
Amortized cost	3,768,451	221,476	87,822	4,077,749
Provisions for expected credit losses	-21,615	-20,454	-39,697	-81,766
of which macro impact	-1,495	-1,124	-79	-2,698
Reservation rate %	1%	9%	45%	2%

Given borrowers' places of domicile, the company's loan receivables are attributable to ¹	2021	2020
Sweden	18,481,210	14,534,370
Norway	2,575,116	1,931,805
Finland	2,859,630	2,147,804
Denmark	2,410,200	1,697,877
	26,326,156	20,311,856
Loan receivables are distributed as follows		
Households in Scandinavia	23,662,596	18,358,460
Non-financial corporate sector	2,568,412	1,887,247
Other	95,148	66,149
Total	26,326,156	20,311,856
Given borrowers' places of domicile, the company's reserve for anticipated credit losses is attributable to		
Sweden	-97,639	-90,098
Norway	-3,560	-7,159
Finland	-2,731	-2,995
Denmark	-1,263	-4,704
Total	-105,193	-104,956

¹Residential mortgages and personal loans occur only in Sweden.

Of lending to the public, SEK 950.3 million (640.4) involves account credits that are fully covered by pledged cash and cash equivalents in endowment insurance plans and investment savings accounts (ISKs); the lending rate applied to the credits corresponds to the deposit rate on the pledged cash and cash equivalents.

Of total lending, SEK 4,132 million (3,996) pertains to personal loans. The remainder of lending to the public is secured by collateral in the form of securities.

Note 22 Group – Bonds and other interest-bearing securities.

	2021	2020
Issued by government bodies	3,576,003	999,364
Issued by other borrowers	7,402,247	1,337,076
Total	10,978,250	2,336,440

Interest-bearing securities pertain to investments of the company's surplus deposits – primarily in bonds. Provisions for expected credit losses are included in the reported amount with a non-significant amount.

Note 23 Group – Shares and participations.

	2021	2020
Shares and participations, listed	4,438	6,607
Shares and participations, unlisted ¹	727	707
Total	5,165	7,314

¹ Unlisted shares and participations measured at fair value. For further information, see Note 33.

Note 24 Group – Assets and liabilities where the customer bears the investment risk.

	2021	2020
Financial assets where the policyholder bears the risk of investments		
Shares and participations	139,836,374	93,359,736
Interest-bearing securities	1,096,009	1,026,717
Derivatives	1,047,600	523,167
Cash and cash equivalents ¹	10,185,484	7,781,647
Total assets in the insurance business	152,165,467	102,691,267
Liabilities in the insurance business		
Life insurance provision	42,080	34,934
Claims outstanding	2,907	2,101
Fund insurance obligations	7,498,299	4,618,835
Conditional bonus	144,625,002	98,037,413
Total liabilities in the insurance business	152,168,288	102,693,368
Of which liabilities relating to investment contracts	152,168,373	102,693,283
of which liabilities relating to insurance contracts	-	-

¹) Allocated to loans to credit institutions SEK 1,893,241 thousand (2,292,179) and assets held for sale SEK 8,292,243 thousand (5,489,468).

All assets in the insurance operations entail assets for which the policyholders bear the direct investment risk. For liabilities in the insurance operations pertaining to investment contracts, the policyholders bear the direct risk. This means that the policyholders receive a return but are also responsible for the risk that assets and liabilities in the insurance business incur. The Group is not entitled to cash flow attributable to the invested funds.

The liabilities are measured according to the category financial assets and liabilities measured at fair value via the income statement. The equivalent applies to assets beyond the part pertaining to cash and cash equivalents that is measured at amortized cost. The net effect on earnings of acquired securities, unrealized changes in value, realized changes in value, interest and dividends received and changes in value of the debt is zero.

Note 25 Group – Intangible fixed assets.

	Goodwill		Brands		Customer relations		Capitalized expenditure on development work		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Accumulated costs										
On 1 January	440,043	461,350	24,222	25,393	580,967	618,475	725,726	639,189	1,770,764	1,744,407
Acquisition	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	121,509	93,063	121,509	93,063
Divestments and disposals	-	-	-	-	-	-	-180,560	-6,623	-180,560	-6,623
Conversion differences for the year	14,603	-21,307	624	-1,171	24,704	-37,508	-87	-97	39,844	-60,083
	454,646	440,043	24,846	24,222	605,671	580,967	666,588	725,726	1,751,557	1,770,764
Accumulated amortization and impairments										
On 1 January	-31,729	-32,157	-24,222	-17,820	-351,217	-334,875	-496,786	-442,455	-903,954	-827,307
Amortization for the year	-	-	-	-7,005	-28,145	-27,980	-69,689	-58,667	-97,834	-93,652
Write-downs for the year	-	-	-	-	-	-	-	-2,384	-	-2,384
Divestments and disposals	-	-	-	-	-	-	180,560	6,623	180,560	6,623
Conversion differences for the year	-297	428	-624	603	-8,813	11,638	87	-97	-9,647	12,766
	-32,026	-31,729	-24,846	-24,222	-388,175	-351,217	-385,828	-496,980	-830,875	-903,954
Carrying amount at the end of the year	422,620	408,314	-	-	217,496	229,750	280,760	228,746	920,682	866,810

Goodwill and acquisition-related intangible assets.

Nordnet has carried out a number of strategic acquisitions over the years that have resulted in intangible assets with indefinite useful lives. A useful life is determined as indeterminate in the event an asset's expected ability to contribute financial benefits cannot be determined.

Goodwill represents the positive difference between acquisition cost and fair value of the Group's share of the acquired company's net assets on the acquisition date and is recognized at cost less accumulated impairment. Goodwill is allocated to cash-generating units (CGU) and is tested annually to identify any impairment need using a valuation model based on discounted future cash flows. Other acquisition-related intangible assets consist mainly of brands and customer relationships, which are recognized at fair value on the acquisition date and subsequently at cost less accumulated

amortization/depreciation and impairment. Acquisition-related intangible assets with an indefinite useful life are tested annually for impairment in the same way as goodwill. Goodwill and intangible assets with indefinite useful lives are allocated to a CGU comprising the respective countries in which Nordnet operates. Each year, the Group examines by country whether there is any need for impairment of goodwill and intangible assets with indefinite useful lives. The recovery value for CGUs has been set by calculating utility value. These calculations are based on estimated future cash flows based on financial projections approved by management and covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rate.

The main assumptions in the three-year plan are management's assessment of net profit, including credit losses, growth in each economy and development of risk-weighted assets.

Cont. Note 25 Group – Intangible fixed assets.

SEK thousands	Goodwill		Brands		Customer relations	
	2021	2020	2021	2020	2021	2020
Sweden						
AD Aktiedirekt AB	29,697	29,697			-	-
Deriva Financial Services AB	6,876	6,876			-	-
Konsumentkredit	63,749	63,749			-	-
Operations acquired from Öhman	5,899	5,899				
Shareville	2,312	2,312				
Netfonds Bank AS	106,972	106,972				
Total Sweden	215,505	215,505	-	-	-	-
Finland						
eQ					2,329	9,142
Total Finland	-	-	-	-	2,329	9,142
Norway						
Stocknet Securities AS	81,500	75,867	-	-	8,282	10,516
Netfonds Bank AS	116,607	108,557	-	-	206,885	210,092
Netfonds Liv AS	9,007	8,385	-	-		
Total Norway	207,115	192,809	-	-	215,167	220,608

In order to extrapolate cash flows beyond the budget period, a growth rate of 2 percent has been used. Due to the long-term nature of the investments, an assessment has been made for perpetual cash flow. The use of perpetual cash flow is motivated by the fact that all cash-generating units are part of the Group's domestic markets, for which there are no intentions to leave. The long-term growth assumption is based on external assessments as well as the Group's experience and assessment of growth in the banking sector in relation to GDP growth and inflation.

In addition, an average discount rate in local currency before tax has been used. The discount rate has been determined by calculating the weighted capital cost (CAPM) for each country, which is based on the market's risk-free interest rate, the market's return requirement and the specific risk of the asset. The discount rate is in the range 9.40–16.90 percent (8.64–15.86) before tax, which corresponds to the calculated return requirement for each country. Net cash flow refers to the amount theoretically available as a dividend or alternatively contributed as a capital contribution. The 2021 annual testing of impairment needs was carried out in the fourth quarter. This testing did not indicate any needs to recognize impairment. As part of the impairment testing, Nordnet also performed a sensitiv-

ity analysis in which the discount rate was raised by 5 percent and unrestricted cash flow was reduced by 10 percent. Neither of these scenarios indicated any need to recognize impairment.

The Finnish customer relations are attributable to the acquisition of eQ. Customer relationships in the acquisition of eQ were originally valued at SEK 142.2 million. This is amortized over an average of 11 years, reflecting the estimated useful life. The carrying amount is SEK 2.3 million (9.1), with a remaining amortization period of 0.3 years.

The Norwegian customer relations regarding Netfonds were identified in connection with the acquisition of Netfonds Bank AS. The carrying amount is SEK 206.9 million (210.1). The amortization period is 15 years, reflecting the estimated useful life. Remaining amortization period is 12.4 years.

The value of the Norwegian customer relations regarding Stocknet was identified in connection with the acquisition of Stocknet Securities AS. The carrying amount is SEK 8.3 million (10.5). The amortization period is 20 years, reflecting the estimated useful life. with a remaining period of amortization of 2.8 years.

All development costs that meet the criteria of IAS

Note 25 Group – Intangible fixed assets.

38 are capitalized in the form of capitalized development costs for development work. Costs for improvements are expensed on an ongoing basis in the income statement. The carrying amount for Nordnet's three most significant development projects amounts to SEK 229.1 million, which are related to Next Nordnet, New Mobile Application and Customer Journeys. Development is ongoing and the depreciation period is on straight-line basis over three to seven years. Balanced personnel-related expenses amount to SEK 85.7 million (59.9).

Note 26 Group – Tangible fixed assets.

Group, SEK thousands	2021	2020
Accumulated cost		
On 1 January	601,790	579,814
Additions	46,108	11,879
Right of use assets, lease	31,936	16,675
Divestments and disposals	-157,344	-4,534
Conversion differences for the year	2,254	-2,044
	524,744	601,790
Accumulated depreciation		
On 1 January	-328,847	-272,990
Depreciation for the year	-28,266	-25,835
Right of use assets, lease	-36,600	-36,248
Divestments and disposals	155,769	3,979
Conversion differences for the year	-1,478	2,247
	-239,422	-328,847
Carrying amount at the end of the year	285,322	272,943

Accumulated acquisition values include fees for improvement of someone else's property, amounting to SEK 55,464 thousand (81,829), which relates to subsidiary Nordnet Bank AB. The depreciation plan is based on a useful life of 60 months, and the residual value according to plan amounts to SEK 27,666 thousand (32,628). A linear method is used when depreciating tangible fixed assets. In the balance sheet recognized as Tangible fixed assets and allocated as follows: right of use to premises and buildings SEK 234.1 million, right of use to vehicles SEK 5.2 million. For more information, please see Note 12.

Note 27 Group – Other assets.

Other assets	2021	2020
Liquid fund receivables regarding unsettled transactions	2,636,490	7,059,103
Other assets	269,847	169,532
Total	2,906,337	7,228,635

Gross liquid fund receivables amount to SEK 2,636,490 thousand (7,059,103). The decrease from the previous year is an effect of Nordnet reporting the net amount following the netting of outstanding liquid fund receivables against SIX and Nasdaq. Other assets are made up entirely of current receivables due within a year.

The table below describes the balance sheet items that are the basis for net recognition. Other items are reported gross in the balance sheet.

31/12/2021			
SEK million	Gross amount for assets	Gross amount for assets set off against liabilities	Net amount in the Balance Sheet
Other assets			
Unsettled transactions	5,252.2	2,615.7	2,636.5
Total	5,252.2	2,615.7	2,636.5
SEK million	Gross amount for liabilities	Gross amount for liabilities set off against assets	Net amount in the Balance Sheet
Other liabilities			
Unsettled transactions	5,156.6	2,615.7	2,540.9
Total	5,156.6	2,615.7	2,540.9

31/12/2020			
SEK million	Gross amount for assets	Gross amount for assets set off against liabilities	Net amount in the Balance Sheet
Other assets			
Unsettled transactions	7,059.1	-	7,059.1
Total	7,059.1	-	7,059.1
SEK million	Gross amount for liabilities	Gross amount for liabilities set off against assets	Net amount in the Balance Sheet
Other liabilities			
Unsettled transactions	7,600.1	-	7,600.1
Total	7,600.1	-	7,600.1

Note 28 Group – Prepaid expenses and accrued income.

Prepaid expenses and accrued income	2021	2020
Prepaid expenses	114,151	68,739
Accrued interest income	53,566	43,333
Accrued commission income	125,469	113,868
Issue payment for warrants	-	43,120
Other accrued income	64,753	12,363
Total	357,939	281,423

Note 29 Group – Deposits and borrowing by the public.

Deposits and borrowing by the public	2021	2020
Sweden	25,005,884	27,150,990
Norway	11,467,462	7,750,383
Finland	16,484,648	12,446,139
Denmark	15,932,604	12,986,923
Deposits in Nordnet Pensionsförsäkring AB and Nordnet Livsförsäkring AS ¹	-3,603,905	-7,781,647
Total	64,286,693	52,552,788

¹ Recognized as actuarial liabilities in the consolidated balance sheet.

Note 30 Group – Other liabilities.

Other liabilities	2021	2020
Liquid fund liabilities regarding unsettled transactions	2,540,876	7,600,124
Liability to policyholders ¹	6,581,572	
Accounts payable	31,374	50,057
Lease liability	195,232	199,628
Other liabilities	119,689	126,547
Total	9,468,743	7,976,356

Gross liquid fund liabilities amount to SEK 2,540,876 thousand (7,600,124).

For information on settlement of fund cash and equivalents, receivables and liabilities, see Note 27.

¹ Refers to surplus liquidity from policyholders that has been invested in the pension company's own holdings in interest-bearing securities.

Note 31 Group – Accrued expenses and deferred income.

Accrued expenses and deferred income	2021	2020
Personnel related expenses	62,228	63,074
Accrued interest expenses	22,619	17,584
Accrued commission expenses	33,982	47,332
Accrued expenses hence to IPO	250	60,150
Other accrued expenses ¹	118,006	97,569
Total accrued expenses and deferred income	237,085	285,709

¹ The largest component is attributable to accrued administrative costs in the operating activities.

Note 32 Group – Equity.

A summary of changes in equity can be found in the statement of changes in equity.

Share capital.

The total number of fully paid shares amounts to 250,000,000 (250,000,000), with a quota value of SEK 0.005 each (0.005). Quota value refers to share capital divided by the number of shares. Holders of ordinary shares are entitled to dividends determined by the Annual General Meeting and are entitled exercise one vote per share held at the Annual General Meeting.

Other capital contributions.

Comprise unconditional shareholder contributions and issue proceeds in the form of non-cash and cash issues.

Share-based incentive program

In the autumn, Nordnet introduced an additional incentive program for Group employees. A total 885,862 warrants were issued for a value of SEK 14,148 thousand. For more information, see Note 13 General transaction costs.

Tier 1 capital instruments.

Issued Tier 1 capital instruments are deemed to meet the conditions for an equity instrument as the instrument, according to the conditions, has no set date of maturity, meaning that the issuer has an unconditional right to refrain from making repayment, and that the issuer of the instrument has full discretion regarding interest payments, that is, it is under no obligation to pay interest.

In the first quarter of 2019, Nordnet issued a Tier 1 capital injection (AT1) of SEK 500 million. The instrument carries an indefinite maturity, can be redeemed first after five years and runs with interest of three-month Stibor + 6.75 percent. The bonds are listed on Nasdaq Stockholm. In the fourth quarter of 2021, Nordnet issued an additional Tier 1 capital injection (AT1) of SEK 600 million on the same terms as the previously issued AT1, with the exception of an interest rate of three months' Stibor +3.9 percent.

Other provisions.

Fair value reserve

In the fair value reserve, the accumulated change in value among holdings of financial debt instruments measured at fair value is reported via other comprehensive income until the asset has been de-recognized from the statement of financial position. On divestment, unrealized changes in value are reclassified to the income statement. Any impairment is recognized in the income statement.

Reserve for translation differences

Reported in the reserve for translation differences are all foreign exchange differences arising on translation of the foreign operations that prepare their financial statements in a currency other than that applied in the consolidated accounts.

For this year's change in other provisions, see the table on the next page.

Profit brought forward.

Comprises the preceding year's unrestricted equity following payment of any dividend. Constitutes, together with the profit for the year, the fair value reserve and Tier 1 capital instruments, total unrestricted equity, that is the amount available for dividends to shareholders.

Dividend.

The Annual General Meeting of shareholders in Nordnet AB (publ) on 29 April 2021 approved a dividend of SEK 1.51 per share and that the undistributed profit for 2020 be carried forward in a new account. The Extraordinary General Meeting on 14 December 2021 approved an additional dividend of SEK 1.77 per share. Combined, this dividend and the preceding one corresponded to 70 percent of the company's profit for 2020.

No treasury shares were acquired during the year.

Cont. Note 32 Group – Equity.

Equity	2021	2020
Translation reserve		
Opening balance	-119,868	-71,177
Translation difference, foreign subsidiary	44,976	-49,530
Tax on taxable part of translation difference, foreign subsidiaries	-3,099	839
Closing balance	-77,991	-119,868
Fair value reserve		
Opening balance	19,513	-4,965
Change in value, financial assets at fair value through other comprehensive income, net after tax	-2,855	24,478
Closing balance	16,658	19,513
Total		
Opening balance	-100,355	-76,142
Translation difference, foreign subsidiary	41,877	-48,691
Change in value, financial assets at fair value through other comprehensive income	-2,855	24,478
Closing balance	-61,333	-100,355

Note 33 Group – Categorization of financial instruments.

2021	Fair value through consolidated income statement					Total
	Amortized cost	Held for trading	Other business models	Fair value through other comprehensive income	Non financial instruments	
Assets						
Cash and balances in Central banks	4,249,838	-	-	-	-	4,249,838
Treasury bills and other interest bearing securities eligible for refinancing	17,413,615	-	-	16,289,131	-	33,702,746
Loans to credit institutions	644,775	-	-	-	-	644,775
Loans to the general public	26,326,156	-	-	-	-	26,326,156
Bonds and other interest bearing securities	299,037	-	-	10,679,213	-	10,978,250
Shares and participations, listed	-	4,438	-	-	-	4,438
Shares and participations, non-listed	-	727	-	-	-	727
Assets for which customers bear the investment risk	1,893,241	-	148,561,562	1,710,664	-	152,165,467
Other assets	2,906,337	-	-	-	587	2,906,924
Prepaid expenses and accrued income	243,788	-	-	-	-	243,788
Total assets	53,976,787	5,165	148,561,562	28,679,008	587	231,223,110
Liabilities						
Deposits and borrowing from the general public	64,286,693	-	-	-	-	64,286,693
Liabilities for which customers bear the investment risk	-	-	152,168,288	-	-	152,168,288
Other liabilities	9,468,743	-	-	-	393,249	9,861,992
Accrued expenses	237,085	-	-	-	-	237,085
Total liabilities	73,992,521	-	152,168,288	-	393,249	226,554,058

¹Market capitalization for 2021 amounted to SEK 17,480,798 thousand.

2020	Fair value through consolidated income statement					Total
	Amortized cost	Held for trading	Other business models	Fair value through other comprehensive income	Non financial instruments	
Assets						
Cash and balances in Central banks	3,100,458	-	-	-	-	3,100,458
Treasury bills and other interest bearing securities eligible for refinancing	20,934,962	-	-	9,344,602	-	30,279,564
Loans to credit institutions	603,553	-	-	-	-	603,553
Loans to the general public	20,311,856	-	-	-	-	20,311,856
Bonds and other interest bearing securities	1,487,210	-	-	849,230	-	2,336,440
Shares and participations, listed	-	6,607	-	-	-	6,607
Shares and participations, non-listed	-	707	-	-	-	707
Assets for which customers bear the investment risk	2,292,179	-	94,909,620	5,489,468	-	102,691,267
Other assets	7,228,635	-	-	-	12,159	7,240,794
Prepaid expenses and accrued income	281,423	-	-	-	-	281,423
Total assets	56,240,277	7,314	94,909,620	15,683,299	12,159	166,852,669
Liabilities						
Deposits and borrowing from the general public	52,552,788	-	-	-	-	52,552,788
Liabilities for which customers bear the investment risk	-	-	102,693,283	-	-	102,693,283
Other liabilities	7,976,356	-	-	-	273,186	8,249,542
Accrued expenses	285,709	-	-	-	-	285,709
Total liabilities	60,814,853	-	102,693,283	-	273,186	163,781,322

¹ Market capitalization for 2020 amounted to SEK 21,013,270 thousand.

Cont. Note 33 Group – Categorization of financial instruments.

Determination of fair value for financial instruments.

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

The methods are divided into three different levels:

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

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

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

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

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

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

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

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

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

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

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

Cont. Note 33 Group – Categorization of financial instruments.

Level distribution in accordance with IFRS 9.

2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for refinancing	16,289,132	-	-	16,289,132
Bonds and other interest bearing securities	10,679,213	-	-	10,679,213
Shares and participations	4,438	-	727	5,165
Assets for which customers bear the investment risk ¹	147,452,540	267,720	4,445,207	152,165,467
Subtotal	174,425,323	267,720	4,445,934	179,138,977
Financial assets where fair value is given for information purposes				
Cash and balances in Central banks	4,249,838	-	-	4,249,838
Loans to credit institutions	-	644,775	-	644,775
Loans to the general public	-	26,326,156	-	26,326,156
Treasury bills and other interest bearing securities eligible for refinancing	-	17,480,798	-	17,480,798
Bonds and other interest bearing securities	-	300,818	-	300,818
Other assets	2,906,337	-	-	2,906,337
Accrued income	243,788	-	-	243,788
Subtotal	7,399,963	44,752,547	-	52,152,510
Total	181,825,286	45,020,267	4,445,934	231,291,487
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	152,168,288	-	152,168,288
Total	-	152,168,288	-	152,168,288

¹ SEK 1,710,664 thousand relates to re-investments in bonds and SEK 1,893,241 thousand relates to cash and cash equivalents. These items are included in Level 1.

Cont. Note 33 Group – Categorization of financial instruments.

2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
Treasury bills and other interest bearing securities eligible for re-financing	9,344,602	-	-	9,344,602
Bonds and other interest bearing securities	849,229	-	-	849,229
Shares and participations	6,607	-	707	7,314
Assets for which customers bear the investment risk ¹	101,377,475	487,218	826,574	102,691,267
Subtotal	111,577,913	487,218	827,281	112,892,412
Financial assets where fair value is given for information purposes				
Cash and balances in Central banks	3,100,458	-	-	3,100,458
Loans to credit institutions	-	603,533	-	603,533
Loans to the general public	-	20,311,856	-	20,311,856
Treasury bills and other interest bearing securities eligible for re-financing	-	21,013,270	-	21,013,270
Bonds and other interest bearing securities	-	1,489,947	-	1,489,947
Other assets	7,228,686	-	-	7,228,686
Accrued income	281,423	-	-	281,423
Subtotal	10,610,567	43,418,606	-	54,029,173
Total	122,188,480	43,905,824	827,281	166,921,585
Financial liabilities at fair value				
Liabilities for which customers bear the investment risk	-	102,693,283	-	102,693,283
Total	-	102,693,283	-	102,693,283

¹ SEK 5,489,468 thousand relates to re-investments in bonds and SEK 2,292,179 thousand relates to cash and cash equivalents. These items are included in Level 1.

Description of valuation levels.

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

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

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

ered to be the best assessment of fair value on initial recognition.

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

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

Relocation between levels.

In 2021, financial instruments valued at Level 3 increased by SEK 3,619 million. The largest increase is a consequence of the influx of new policyholders' underlying instruments in the amount of SEK 3,318 million. An additional SEK 538 million is attributable to changes in the value of existing instruments within Level 3.

During the year, SEK 2 million was transferred from

Cont. Note 33 Group – Categorization of financial instruments.

Level 1 to Level 3. The main reason for the transfer is that the instrument was not actively traded during the period and was valued in accordance with an independent theoretical valuation.

Shares and participations

of SEK 121 million were transferred from Level 3 to Level 1, with the main reason for the transfer being that instruments previously lacking reliable data had been traded actively during the period, with reliable price quotes having been available in the market. Other changes within Level 3 are attributable to the outflow of instruments.

Bonds and other interest-bearing securities of SEK 95 million have been transferred from level 2 to

level 1, with the

principal reason for the transfers being that the instruments were actively traded during the period and reliable price quotations are now therefore available in the market.

Instruments of SEK 59 million were transferred from Level 1 to Level 2, with the main reason being that the instruments were not actively traded during the period.

Note 34 Group – Pledged assets, contingent liabilities and commitments.

	2021	2020
Pledged assets		
Pledged assets and comparable collateral for own liabilities	none	none
Other pledged assets and comparable collateral		
Bonds and other interest bearing securities ¹	2,811,149	3,369,234
<i>of which deposits with credit institutions</i>	2,420,904	2,789,469
<i>of which deposits with clearing houses</i>	390,245	584,765
Obligations		
Contingent liabilities	24,001	33,081
Commitments		
Granted undrawn credit facilities ²	118,709	447,882
Funds managed on behalf of third parties		
Client funds	119,128	127,365

¹ The amount includes blocked funds of SEK 377 million (319), which mainly pertained to pledged collateral at clearing institutions, central banks and the stock exchange.

As per the balance sheet date of 31 December 2021, the insurance business held registered assets amounting to SEK 152,165 (SEK 102,691 million as of 31 December 2020) to which the policyholders have priority rights.

² The definition of personal loans granted but un-withdrawn was updated in 2022. This amount includes granted, unpaid mortgages of SEK 98 million (427).

Cont. Note 34 Group – Pledged assets, contingent liabilities and commitments.

Pledged assets for own liabilities comprise securities pledged in connection with buy-back agreements. The transactions are carried out in accordance with standard agreements used by the parties on the financial market and counterparties in these transactions are credit institutions. The transactions are primarily short-term with a duration of less than three months.

Other pledged assets consist partly of bonds and other fixed-interest securities that have been provided as security for the customer's margin lending, and for payment to clearing institutions. Counterparties in margin lending transactions are other credit institutions.

As both repurchase agreements and other pledged assets entail that the securities are returned to Nordnet, all risks and rewards associated with the transferred instruments at Nordnet remain, even if they are not available to Nordnet during the period in which they are transferred. The counterparty to the transaction holds securities as collateral but is not entitled to any other assets in Nordnet. The securities are still recognized in the balance sheet and are measured, like the related liabilities, at fair value.

As of the balance sheet date of 31 December 2021, the insurance operations held registered assets of SEK 152,165 million (102,691) to which the policyholders have priority rights.

In addition to the commitments specified in the table on the preceding page, SEK 16,602 million (12,621) of a credit facility related to possible securities-collateralized borrowing remained unutilized at the end of the period. For each customer, the credit size is restricted by the minimum amount of credit limit, which is set individually per customer by the company, and the collateral value of security holdings. Credit agreements can be terminated with 60 days' notice. The leverage value of a security can be changed instantly.

Note 35 Group – Capital adequacy information.

The rules on capital adequacy are the legislator's requirement for how much capital in the form of a capital base an institution must have in relation to the level of risk it takes. The regulations aim to strengthen the link between risk taking and capital requirements in the Group's operations. The legal capital requirements are calculated in accordance with Regulation 575/2013 of the European Parliament and of the Council (CRR), as well as the 2013/36 EU (CRD V) Directive.

Information in this note is provided in accordance with Regulation (EU) 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and investment firms ("the supervisory regulation") and regulations supplementing the supervisory regulation, the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2008:25) on the annual accounts of credit institutions and securities companies and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2014:12) on supervisory requirements and capital buffers. Other required information is provided in a separate Pillar 3 report available on Nordnet's website, see www.nordnetab.com.

Financial conglomerate

Capital base and capital requirements

The financial conglomerate comprises Nordnet AB (publ) and all of its subsidiaries. For the determination of the financial conglomerate's regulatory capital requirement, the Law (2006:531) on special supervision of financial conglomerates and the Swedish Financial Supervisory Authority's regulations and general advice (FFFS 2011:26) on the special supervision of financial conglomerates are applicable. The conglomerate's capital base shall cover the minimum capital requirements

under the Supervision regulation 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.

The capital base and capital requirement have been calculated in accordance with the consolidation method. The Group-based accounts have been compiled in accordance with the same accounting principles as the consolidated accounts. As a consequence of the solvency rules, the item Solvency capital, which refers to the estimated future present value of the insurance companies (Nordnet Pensionsförsäkring AB) including the subsidiary Nordnet Livsförsäkring AS) includes cash flows generated by the policyholders' capital.

The capital requirement for units in the insurance business is affected by the policyholders' assets. The capital requirements for the banking operations (presented in detail under a separate heading for the consolidated situation) vary primarily in terms of the size and credit quality of the bank's exposures. For the financial conglomerate, solvency capital requirements and capital base are calculated according to the standard model under Solvency 2, which affirms the total capital requirement from both the banking and insurance operations. Within the financial conglomerate, Nordnet has a surplus of capital of SEK 792.5 million.

Consolidated situation

Capital base and capital requirements

The consolidated situation consists of Nordnet AB (publ) and Nordnet Bank AB. Accordingly, the difference compared with the financial conglomerate is that the insurance business is not taken into account in the

Capital base and capital requirement

SEK million	31/12/2021	31/12/2020
Capital base after regulatory adjustments	5,837.2	4,344.1
Capital requirements financial conglomerate	5,044.7	3,680.7
Excess capital	792.5	662.4
Capital ratio	1.2	1.2

As of 30 June 2019, Solvency II figures are recognized with a one-quarter delay.

Cont. Note 35 Group – Capital adequacy information.

consolidated situation. In order to establish statutory capital requirements for the consolidated situation, the Special Supervision of Credit Institutions and Investment Firms Act (2014:968); the Capital Requirements Regulation (EU) 575/2013 of the European Parliament and of the Council; the Capital Buffers Act (2014:966), and the Swedish Financial Supervisory Authority's regulations (FFFS 2014:12) on supervisory requirements and capital buffers all apply.

The capital base shall cover minimum capital requirements, the combined buffer requirement, as well as supplemental Pillar 2 requirements. Nordnet applies the standardized method when calculating capital base requirements for credit risk, meaning that exposures are distributed across exposure classes and assigned a risk weight based on this class and additional factors. Credit risk is calculated on all asset items in and off the balance sheet, except for items deducted directly from the capital base. Capital base requirements for exchange rate risk comprise all items in and outside the balance sheet measured at current market value and converted to SEK on the balance sheet date. Capital base requirements for operational risk are calculated in accordance with the standardized method.

The capital requirement is usually expressed as a percentage of the total risk-weighted exposure amount, which amounted to SEK 17,399.0 million for the period at hand. The basic capital base requirement is 8 percent (SEK 1391.9 million) and includes a Common Equity Tier 1 capital requirement of 4.5 percent (SEK 783.0 million) and a Tier 1 capital requirement of 6 percent (SEK 1,043.9 million). In addition to the basic capital requirement, there is the combined buffer requirement, which amounts to 2.6 percent of the risk-weighted exposure amount (SEK 460.6 million) and comprises a capital conservation buffer (2.5 percent) and a countercyclical buffer (0.1 percent). The countercyclical buffer is calculated based on each country's supervisory authority's approved level for a countercyclical buffer weighted over Nordnet's risk-weighted exposures in the markets in which the company operates.

As part of the Swedish Financial Supervisory Authority's review and assessment process (RAP), which was completed in the third quarter of 2021, the Financial

Supervisory Authority decided that Nordnet, in addition to the basic capital requirements and buffer requirements, shall meet a Pillar 2 requirement of 6.47 percent for the consolidated situation, corresponding to SEK 1,125.7 million as of 31 December 2021. Nordnet's capital requirements for risks within Pillar 2 always correspond to the internally assessed Pillar 2 requirement or the Swedish Financial Supervisory Authority's approved Pillar 2 requirement, whichever is higher. For the period at hand, the Swedish Financial Supervisory Authority's Pillar 2 guidance exceeds the internally assessed capital requirement for risks within Pillar 2 by SEK 189.1 million. Three quarters of this requirement must be met with Tier 1 capital, of which at least three quarters shall comprise Common Equity Tier 1 capital.

Common Equity Tier 1 capital consists of equity reduced for items not included in the capital base, such as intangible assets, deferred tax assets and value adjustments. The profit for 2021 is included in the capital base as external auditors have verified the profit and permission to include the profit has been obtained from the Swedish Financial Supervisory Authority. To optimize the capital structure in the company, Nordnet issued an additional SEK 600 million in AT1 instruments (Tier 1 capital) in the fourth quarter of 2021 and implemented an extra dividend (of Common Equity Tier 1 capital), with the effect being seen as a clear reduction in the Common Equity Tier 1 capital ratio as of the fourth quarter, while the effect on the total capital ratio is limited. In 2021, Nordnet transferred the ownership of the pension business from Nordnet AB (publ) to Nordnet Bank AB through an intra-Group transaction and injected capital from Nordnet AB (publ) to Nordnet Bank by means of an unconditional shareholder contribution. In the consolidated situation, this has no effect on capital adequacy, while, for the bank, it raises both the capital requirement and capital base. These measures result in a more optimized allocation of capital and increase the comparability between the bank's capital adequacy ratios and those of the consolidated situation. Further information on Nordnet Bank AB's capital situation is provided in the bank's Annual Report and Pillar 3 Report.

Deductions for value adjustments are made using the simplified method for financial instruments valued at

Cont. Note 35 Group – Capital adequacy information.

fair value as regulated by Regulation (EU) 2016/101 on prudent valuation. Deductions are made for foreseeable costs and possible dividends under Commission Delegated Regulation (EU) 241/2014.

As of the third quarter of 2021, Nordnet will make a reduced deduction for intangible software assets in accordance with the amendment to Delegated Regulation (EU) No 241/2014. This means that all intangible software assets, the value of which is not significantly affected by an institution's resolution, insolvency or liquidation, are deducted from the capital base on the basis of a prudent valuation (maximum three-year depreciation period). The remaining part of the software's carrying amount shall have a risk weight of 100 percent. This is more favourable compared with the previous rules which entailed a deduction from the capital base for all software assets. This change means that, all other things being equal, the capital base and the total risk-weighted exposure amount increase by SEK 154.1 million as of 31 December 2021.

For more information about Nordnet's capital base and capital requirements, see Nordnet's Pillar 3 reports and documentation of key performance indicators published on Nordnet's website, www.nordnetab.com.

Cont. Note 35 Group – Capital adequacy information.

The consolidated situation

	SEK million	31/12/2021	30/09/2021	30/06/2021	31/03/2021	31/12/2020
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	2,655.9	2,934.7	2,691.1	2,602.1	2,451.6
2	Tier 1 capital	3,755.9	3,434.7	3,191.1	3,102.1	2,951.6
3	Total capital	3,755.9	3,434.7	3,191.1	3,102.1	2,951.6
Risk-weighted exposure amounts						
4	Total risk exposure amount	17,399.0	15,737.9	15,280.4	14,300.4	13,518.2
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.3%	18.7%	17.6%	18.2%	18.1%
6	Tier 1 ratio (%)	21.6%	21.8%	20.9%	21.7%	21.8%
7	Total capital ratio (%)	21.6%	21.8%	20.9%	21.7%	21.8%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	6.5%	6.5%	5.4%	6.3%	7.0%
EU 7b	of which: to be made up of CET1 capital (percentage points)	3.6%	3.6%	3.6%	4.2%	4.7%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	4.9%	4.9%	4.4%	5.1%	5.7%
EU 7d	Total SREP own funds requirements (%)	14.5%	14.5%	13.4%	14.3%	15.0%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.1%	0.1%	0.1%	0.1%	0.1%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer (%)					
11	Combined buffer requirement (%)	2.6%	2.6%	2.6%	2.6%	2.6%
EU 11a	Overall capital requirements (%)	17.1%	17.1%	16.0%	16.9%	17.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.1%	7.4%	7.5%	7.4%	6.9%

In summary, the capital base in the consolidated situation amounts to SEK 3,755.9 million, compared with a total capital requirement of SEK 2,978.7 million. This gives a capital surplus of SEK 777.2 million. The capital adequacy is thus satisfactory and meets all statutory

requirements.

Cont. Note 35 Group – Capital adequacy information.

Leverage ratio

The leverage ratio is calculated as the quota of Tier 1 capital and total exposures and is expressed as a percentage. As of 28 June 2021, a binding minimum requirement for the leverage ratio of 3.0 percent was introduced, corresponding to SEK 2367.7 million for the period at hand. In addition to the minimum requirement, the Swedish Financial Supervisory Authority proposes leverage ratio guidance that must be met with Common Equity Tier 1 capital to be able to absorb any losses

in the best possible way. In September 2021, the Swedish Financial Supervisory Authority adopted guidance regarding the leverage ratio for Nordnet's consolidated situation of 0.9 percent, which together with the statutory requirement provides an appropriate leverage ratio level for Nordnet of 3.9 percent, corresponding to SEK 3078.1 million for the period at hand. In relation to the leverage ratio requirement, Nordnet has a capital surplus of SEK 1,388.2 million and, in relation to requirements and guidance, a surplus of SEK 677.9 million.

Leverage ratio

	SEK million	31/12/2021	30/09/2021	30/06/2021	31/03/2021	31/12/2020
	Leverage ratio					
13	Total exposure measure	78,924.5	77,285.3	74,968.4	76,765.6	73,386.7
14	Leverage ratio (%)	4.8%	4.4%	4.3%	4.0%	4.0%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%		
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%		

Cont. Note 35 Group – Capital adequacy information.

Internally assessed capital requirement.

The minimum requirement for capital under Pillar 1 amounts to 8 percent. In addition to the minimum requirement, Nordnet maintains capital to meet the combined buffer requirement as well as to cover the total capital requirement resulting from the Bank's annual internal capital and liquidity assessment (ICLA) carried out under Pillar 2. This is governed by EU directive on capital adequacy 2013/36/EU Article 73 and the Swedish Financial Supervisory Authority's Regulations (FFFS 2014:12 Chapter 10). The capital evaluation aims at analyzing and highlighting risks that may be underestimated in calculating capital base requirements under Pillar 1 and identifying other significant risks to which the bank is exposed.

The internal capital assessment (ICAAP) is based on Nordnet's business plan, current and future regulatory requirements and scenario-based simulations and stress tests. A summary of the results is reported annually to the Board and forms the basis for the company's capital planning as approved by the Board of Directors. The Swedish Financial Supervisory Authority reviews and evaluates Nordnet's risk management and ascertains whether sufficient capital is retained to cover the significant risks to which the bank is exposed.

Nordnet calculates the internal capital requirement for the consolidated situation at SEK 2328.5 million (2024.6). This is considered to be a satisfactory level of capital given the activities conducted by Nordnet. Nordnet's internal assessment of the capital requirement is not entirely comparable with the statutory capital requirement, due, for example, to the Swedish Financial Supervisory Authority's approved Pillar 2 requirement being static between RAP events, while our internally-assessed Pillar 2 requirement is variable.

Liquidity

The liquidity coverage ratio (LCR) is calculated as the ratio between the bank's liquidity buffer and net cash flows in a highly stressed scenario over a 30-day period. The ratio must amount to at least 100 percent.

In addition to this requirement, the Swedish Financial Supervisory Authority has decided in RAP that Nordnet Bank AB must meet additional liquidity requirements at the Group level: a liquidity coverage ratio of 100 percent in EUR, a liquidity coverage ratio of 75 percent in other currencies and that the liquidity buffer, when calculating the liquidity coverage ratio at the Group level, shall comprise at most 50 percent covered bonds issued by Swedish issuers. As Nordnet matches its liquidity portfolio in relation to the currency distribution in the company's deposits, the currency distribution in the liquidity portfolio is sufficient to meet all liquidity coverage ratios imposed on the company by the Swedish Financial Supervisory Authority for each of the currencies. The Net Stable Funding Ratio (NSFR) is calculated as the ratio between available stable financing and the need for stable financing. The measure is intended to safeguard the long-term liquidity situation. The minimum requirement applies at an aggregate level and the quota must amount to at least 100 percent.

Nordnet's high LCR and NSFR quotas show that the bank is highly resilient to disturbances in the financing market and has a good liquidity situation in both the short and long term. Nordnet continuously monitors regulatory and internal measures of the liquidity situation and actively manages its liquid assets in order to maintain a satisfactory liquidity buffer. ICLA also contains in-depth assessments of the liquidity need in relation to future developments under both normal and stressed conditions.

Cont. Note 35 Group – Capital adequacy information.

	SEK million	31/12/2021	30/09/2021	30/06/2021	31/03/2021	31/12/2020
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	29,172.8	29,291.3	29,996.8	31,791.3	32,306.1
EU 16a	Cash outflows - Total weighted value	8,199.7	8,220.2	8,014.7	7,883.2	7,738.8
EU 16b	Cash inflows - Total weighted value	1,250.6	1,229.1	1,115.9	1,028.3	1,000.8
16	Total net cash outflows (adjusted value)	6,949.1	6,991.1	6,898.8	6,854.9	6,737.9
17	Liquidity coverage ratio (%)	419.8%	419.0%	434.8%	463.8%	479.5%
Net Stable Funding Ratio						
18	Total available stable funding	65,640.4	62,788.1	59,851.1		
19	Total required stable funding	26,959.5	26,229.2	25,259.3		
20	NSFR ratio (%)	243.5%	239.4%	237.0%		

In accordance with FFFS 2010:7, Chapter 5, Nordnet reported information regarding liquidity positions as of the balance sheet date 31 December 2021. The information refers to the consolidated situation, which includes Nordnet AB (publ), org. no. 559073-6681 and Nordnet Bank AB, org. no. 516406-0021.

Liquidity buffer

SEK million	Total	SEK	NOK	DKK	EUR	USD	Other
Cash and lending to credit institutions	5,660	500	199	1,651	3,061	189	59
Securities issued or guaranteed by sovereigns, central banks or multinational development banks	7,372	4,548	758	233	1,787	45	0
Covered bonds	19,937	2,336	6,658	7,845	3,098	0	0
Other securities	0	0	0	0	0	0	0
Total buffer	32,969	7,385	7,616	9,729	7,945	234	59
Buffer composition by currency	100.0%	22.4%	23.1%	29.5%	24.1%	0.7%	0.2%
Liquidity buffer/Deposits from the general public	48.6%						
Loans to the general public/Deposits from the general public	38.8%						

The liquidity buffer is financed through deposits from the public, equity and an issued bond, a so-called AT1 bond loan of SEK 1,100 million. Most of the reserve is invested in bonds with a high rating, such as covered bonds, sovereign bonds and balances at central or other banks. The liquidity buffer is deemed sufficient to be able to respond to situations of temporary or prolonged stress. Nordnet

Bank AB is a member of the Swedish, Norwegian, Finnish and Danish central banks, further strengthening the Group's liquidity preparedness.

Cont. Note 35 Group – Capital adequacy information.

SEK million	Konsoliderad situation 31/12/2021		Konsoliderad situation 31/12/2020	
Risk weighted exposures				
Exposure to credit risk according to the standardized method	13,248.4		10,075.8	
of which exposures to institutions	1,717.3		677.5	
of which exposures to corporates	1,312.6		617.3	
of which retail exposures	4,286.8		3,846.3	
of which exposures secured by mortgages on immovable property	1,995.3		1,452.0	
of which exposures in default	89.6		69.5	
of which exposures in the form of covered bonds	2,252.3		2,432.3	
of which equity exposures	397.8		393.9	
of which regional and local authorities	172.0		70.1	
of which other items	1,024.7		516.8	
Exposures market risk	142.3		37.2	
Exposure operational risk	4,008.3		3,405.3	
Total risk weighted exposures	17,399.0		13,518.2	
Capital requirement				
Credit risk according to the standardized method	1,059.9	6.1%	806.1	6.0%
Market risk	11.4	0.1%	3.0	0.0%
Operational risk	320.7	1.8%	272.4	2.0%
Capital requirement Pillar 1	1,391.9	8.0%	1,081.5	8.0%
Credit risk in government exposures	-	-	0.5	0.0%
Concentration risk	97.4	0.6%	76.3	0.6%
Market risk excluding interest rate risk	-	-	5.0	0.0%
Interest rate risk	234.9	1.4%	182.4	1.3%
Credit risk in government exposures	791.7	4.6%	615.6	4.6%
Estimated Pillar 2 guideline	-	-	63.3	0.5%
Capital requirement Pillar 2	1,124.0	6.5%	943.1	7.0%
Buffer requirement	460.6	2.6%	355.3	2.6%
Total capital requirement, including buffer requirements	2,976.5	17.1%	2,379.9	17.6%

The table shows figures for capital requirements in both MSEK and as a percentage of total risk weighted assets.

The pillar 2 requirement displayed is the legally binding requirement, which for 2021 is the requirement decided by the FSA, while the requirement for 2020 is the internally assessed pillar 2 requirement.

Note 36 Group – Earnings per share.

	2021	2020
Earning per share before and after dilution		
Profit for the period attributable to the shareholders of Nordnet AB (publ)	1,984,650	1,172,734
Interest on Tier 1 capital recognised in equity ¹	-37,610	-35,755
Profit attributable to shareholders of the Parent Company before and after dilution	1,947,040	1,136,475
Number of outstanding shares before dilution ²	250,000,000	250,000,000
Number of outstanding shares after dilution	251,146,045	250,000,000
Earning per share before dilution	7,79	4,55
Earning per share after dilution	7,75	4,55
¹ Including interest for the period and accrued transaction costs, net after tax	-504	-504

The number of shares used in the calculation comprises a weighted average of shares outstanding during the period. The average share price during the 2021 full year exceeded the exercise price for the employee stock option programs, which had a dilutive effect on the average number of

Note 37 Parent Company – Net sales.

Net sales are made up entirely of internal Group invoicing, referring to administrative services.

Note 38 Parent Company – Administrative expenses.

Deloitte	2021	2020
Audit	-1,430	- 2,701
Audit services beyond the assignment	-2,102	-8,595
Tax advice	-	-22
Other services	-325	-54
Total audit services	-3,857	-11,372

Note 39 Parent Company – Personnel costs.

Salaries and other remuneration	2021	2020
Salaries and other remuneration ¹	-7,218	-6,879
Social security expenses	-2,303	-2,315
Pnesion expenses	-3,243	-2,923
Other personell expenses	-443	-597
Total personnel expenses	-13,207	-12,714

¹ For other disclosures regarding personnel expenses and remuneration to the Board, CEO and other senior executives, please see Note 13.

Cont. Note 39 Parent Company – Personnel expenses.

Average number of employees	2020	2019
Total	1	1
of whom women	-	-
of whom men	1	1

Employees within the Parent Company are located in Sweden.

Note 40 Parent Company – Profit from participations in Group companies.

Income from participations in group companies	2021	2020
Dividend from subsidiaries	300,000	200,000
Anticipated dividend from subsidiaries	-	-
Group contributions received	5,884	96,000
Total	305,884	296,000

Note 41 Parent Company – Taxes.

Tax charged to income	2021	2020
Current tax expense (-)/ tax income (+)		
Adjustment current tax for previous years	168	-723
Current tax	-433	-168
Deferred tax	-	-1,642
Tax on net income for the year	-265	-2,533

Reconciliation of effective tax		2021		2020
Profit before tax		300,728		209,033
Tax expense in the income statement	-0.1%	-265	-1.2%	-2,533
Tax as per current tax rate for the Parent Company	20.6%	61,950	21.4%	44,733
Difference	20.5%	61,685	20.2%	42,200
The difference consists of the following items:				
Effect of dividend from subsidiaries	20.6%	61,800	20.5%	42,800
Effect of adjusted tax from previous years	0.1%	405	-0.1%	-191
Effect of non-deductible expenses/non-taxable income	-0.2%	-520	-0.2%	-409
Reported effective tax	20.5%	61,685	20.2%	42,200

Note 42 Parent Company – Participations in Group companies.

Name	Corporate ID	Headquarters	% of share capital	% of voting	Number of shares	Book value
Nordnet Bank AB	516406-0021	Stockholm	100.00%	100.00%	480,001	2,394,980
Nordnet Incentive AB	559338-6385	Stockholm	100.00%	100.00%	25,000	14,173
Total						2,409,153

Cont. Note 42 Parent Company – Participations in Group companies.

	2021	2020
Accumulated acquisition value		
On 1 January	2,174,972	2,174,971
Sale of subsidiaries	-379,992	-
Acquisition	25	-
Shareholders contribution	614,148	-
Total	2,409,153	2,174,971
Accumulated impairments		
At the beginning of the year	-185,870	-185,870
Sale of subsidiaries	185,870	-
Total	-	-185,870
Carrying amount	2,409,153	1,989,101

Over the year, Nordnet AB (publ) transferred 100 percent of its shareholding in Nordnet Ventures AB and Nordnet Pensionsförsäkringar AB to Nordnet Bank AB for a purchase consideration corresponding to the book value of the shares.

Note 43 Parent Company – Other assets.

	2021	2020
Anticipated dividend	-	200,000
Accounts receivables	-	12
Tax account	1,484	1,548
Total	1,484	201,560

Note 44 Parent company – Prepaid expenses and accrued income.

	2021	2020
Prepaid issue proceeds for warrants	-	43,120
Other prepaid expenses	278	547
Total	278	43,667

Note 45 Parent Company – Equity.

Details of changes in equity are given in the statement of changes in Parent Company equity.

As per 31 December 2021, registered share capital amounted to 250,000,000 shares (250,000,000) with a quotient value of SEK 0.005 per share (0.005). Restricted equity pertains to share capital of SEK 1,250 thousand (1,250).

Note 46 Parent Company – Other current liabilities.

	2021	2020
Accounts payable	113	13,384
Other liabilities	5,058	2,149
Total	5,171	15,533

Other liabilities are current liabilities – that is, they fall due for payment within 12 months of the balance sheet date.

Note 47 Parent company – Accrued expenses and deferred income.

Accrued expenses and prepaid income	2021	2020
Accrued social security contributions	316	402
Accrued holiday pay	364	588
Other accrued personell costs	629	1,138
Accrued payroll tax	3,342	2,425
Accrued consultancy costs	-	60,150
Accrued auditors fee	576	1,080
Other accrued expenses	1,254	989
Total	6,481	66,772

Note 48 Parent Company – Details of purchases and sales between Group companies.

Of the Parent Company's total purchases and sales in terms of SEK, 1 percent (1) of purchases and 100 percent (100) of sales pertain to other Group companies.

The Parent Company's outstanding balances to Group companies as of the balance sheet date consists of a receivable from Nordnet Bank AB of SEK 8,322 thousand (102,998) and a receivable from Nordnet Pensionsförsäkring AB of SEK 320 thousand (1,992).

Intra-Group interest income amounted to SEK 0 million (0) and intra-Group interest expenses amounted to SEK 0.2 million (0.5).

Note 49 – Events after the reporting period.

Group.

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 5.56 per share, corresponding to 70 percent of profit after tax for 2021.

Nordnet's Nomination Committee proposes that Gustaf Unger be elected as a new Board Member. Hans Larsson has declined re-election.

During the period 10–24 February 2022, Nordnet repurchased a total of 375,000 shares to cover parts of Nordnet's undertakings in connection with the company's long-term share-related incentive programs. The average price for the shares acquired amounted to SEK 150.66 per share, with the total amounting to SEK 56,498,124. The shares were repurchased on Nasdaq Stockholm.

On 24 February, Russia commenced its invasion of Ukraine. Besides the catastrophic humanitarian consequences for the country's population, the invasion has had a powerful impact on the financial markets. Considerable uncertainty and sharply increased risks prevail regarding investments in shares, mutual funds or other securities associated with Russia. International sanctions, official orders and restrictions imposed by stock exchanges, marketplaces or other financial institutions affect Nordnet's range of financial instruments associated with the Russian market, and trading has been halted for a number of securities.

Uncertainty regarding Russia's future economic prospects has increased, while increasing sanctions and the exclusion of several Russian banks from Swift will have a severe impact on the Russian domestic economy. Both in Russia, as well as outside the country, stock market volatility has increased, and prices for oil and other sources of energy have risen. This may push inflation further, which could, in the long term, lead to higher interest rates.

Nordnet is monitoring developments continuously and is maintaining heightened preparedness to be able to respond quickly to the prevailing circumstances. In the short term, a large number of communication initiatives have been undertaken directed at the company's cus-

tomers to shed light on the increased risk in shares and mutual funds associated with Russia, the adjustment of the offering in securities with exposure to Russia, the review of the credit and treasury portfolio and the lowering of loan-to-value ratios on securities. The rising tensions and new security situation in Europe also motivate a review of the scenario weights. Nordnet is therefore adjusting its credit weighting for the calculation of credit losses.

Note 50 – Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting (SEK):	
Share premium reserve	6,646,779,422
Other capital contributions	1,100,000,000
Non-restricted reserve	-5,623,260,795
Profit brought forward	300,463,372
Total	2,423,982,000

The Board proposes the following allocation:	
To shareholders, a dividend of SEK 5.56 per share, in total	1,390,000,000
Carried forward to next year	1,033,982,000
Total	2,423,982,000

The Board of Directors of Nordnet AB (publ) proposes that the Annual General Meeting on 28 April 2022 resolve to allocate the retained earnings, including the profit for the year according to the approved balance sheet, such that SEK 5.56 per share is distributed to shareholders and the remainder is transferred to a new account. This corresponds to a total dividend of SEK 1,390 million and a dividend payout ratio of 70 percent of the total profit for 2021.

When the supervisory authorities revise their dividend recommendation, Nordnet will assess the situation and then publish a response.

In the opinion of the Board of Directors, the financial position of the company and the Group justifies the proposed dividend with reference to the requirements such as the nature, scope and risks of the business with regard to the scope of the company's and the Group's equity and the company's and Group operations' con-

solidation needs, liquidity and position in general.

Taking recent market turmoil into account, a special review was conducted to ensure that the financial position of the company and the Group is not jeopardized by the proposed dividend. The assessment is that the current situation does not give rise to any change in the assessment of the financial position. The capital adequacy and liquidity situations both remain satisfactory. Furthermore, the assessment is that the situation does not have, or will not entail, any major increase in credit losses that would have a material negative impact on equity.

The Board of Directors and the CEO provide their assurance that the annual accounts have been prepared in accordance with generally accepted accounting practices in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards as stipulated by the European Parliament and Council's regulation (EC) No. 1606/2002 of 19 July 2002 on the application of international accounting standards and give a fair account of the Parent Company and Group's position and earnings. Furthermore, assurance is given that the Board of Directors' Report for the Parent Company and Group, respectively, provides an accurate overview of the development of operations, position and earnings of the Parent Company and the Group, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and the companies within the Group.

Signatures of the Board of Directors.

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

Stockholm, 17 March 2022

Tom Dinkelspiel
Chairman of the Board

Anna Bäck
Board member

Jan Dinkelspiel
Board member

Karitha Ericson
Board member

Christian Frick
Board member

Hans Larsson
Board member

Charlotta Nilsson
Board member

Per Widerström
Board member

Lars-Åke Norling
CEO

Our auditor's report was submitted on 17 March 2022.

Deloitte AB

Patrick Honeth
Authorized Public Accountant

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This information is information that Nordnet AB (publ) is obliged to make public pursuant the Securities Markets Act. This information was submitted for publication on 18 March 2022 at 8:00 a.m. CET.

Auditor's report.

To the annual general meeting of the shareholders of Nordnet AB (publ) corporate identity number 559073-6681.

Report on the annual accounts and consolidated accounts.

Opinions

We have audited the annual accounts and consolidated accounts of Nordnet AB (Publ) for the financial year 2021 except for the corporate governance statement on pages 53-65. The annual accounts and consolidated accounts of the company are included on pages 39-52 and pages 66-154 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as at 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as at 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 53-65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the con-

tent of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

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

Commission income recognition

Commission income is an integral part of the Group's income. These consist of a number of different revenue streams such as commission in connection with the purchase and sale of securities, commission for the transfer of securities in connection with issuance of debt securities, sales of structured products and guaranteed issues, commissions from fund operations and, as of the annual report 2021, commissions from customers' exchange related transactions.

Income recognition includes several risks, primarily regarding the interpretation and application of accounting principles, which include management's judgement regarding when income is to be reported as well as risks related to completeness and valuation. IT systems and applications are used for debiting income, and a large amount of data is generated in these systems and applications when customers use Nordnet's services and networks. Therefore, we consider the recognition of commission income to be a key audit matter. For the year 2021, the Group reported net sales related to commission income of SEK 3 476 million. The reporting item is thus essential from a financial reporting perspective. Revenue recognition is deemed a particularly important area due to the large transaction volumes which makes completeness critical for a significant error in the financial reporting not to arise.

Refer to the related information on accounting principles in note 5 and net commission income in note 9.

Our audit procedures included testing and evaluation of design and effectiveness in controls for commission income recognition. This includes the evaluation of essential procedures and controls for income recognition, including relevant IT systems and applications used for accounting and related controls. We have also conducted analytical and detailed procedures for a selection of income reported.

Our substance review has been conducted by comparing data from the source system with the accounts to ensure proper transfer. In order to ensure correct data in the source system, we have, based on random selection, examined whether individual transactions have been registered based on specified parameters.

Valuation of financial instruments at fair value

Financial instruments valued at fair value both in the insurance and banking operations are mostly financial instruments that are actively traded and for which quoted market prices are available. To a lesser extent, there are holdings in financial instruments for which the valuation is based on market data other than quoted prices in the same instrument.

As at December 31, 2021, financial instruments measured at fair value comprised of assets of SEK 179 139 million and liabilities of SEK 152 168 million.

For financial instruments that are actively traded and for which quoted market prices are available, there is a higher degree of objectivity in determining the market price (level 1). When observable and liquid market prices are not available, the fair value of financial instruments are subject to significant estimation uncertainty (level 2 and 3 instruments). The valuation of such instruments is determined through different valuation techniques, which often include significant judgements and estimates made by management.

These instruments constitute a key audit matter in our audit due to the significant proportion of financial instruments measured at fair value and the impact of the inherent uncertainty and subjectivity in the assessment of level 2 and 3 financial instruments.

Refer to disclosures of financial instruments at fair value in note 33.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the key controls in the valuation process, and designed tests to verify if the controls operated effectively during the year, which included controls over data inputs into valuation models and independent valuation.
- For level 1 instruments, we have compared reported fair values with available quoted market prices. Similar procedures have been performed for level 2 instruments since Nordnet's level 2 financial assets primarily consist of market traded instruments, but where the market is not considered active.
- For level 3 instruments, we have assessed the appropriateness of valuation methods used.

IT-systems that support complete and accurate financial reporting

Nordnet relies on IT systems to (1) serve customers, (2) support business processes, (3) ensure proper financial transaction processing, and (4) support the overall internal control framework. The financial reporting is dependent on several systems. Many of Nordnet's internal controls over financial reporting are dependent on automated system controls with regard to completeness and integrity in reports generated by IT systems.

Given the high dependence on IT, we consider this a key audit in our audit. It is essential that permissions

and access rights to systems and program modifications are adequately managed to ensure proper financial reporting.

Refer to the related information on Operational risks in note 7.

Our audit has included review of general IT controls and judgement of whether Nordnet has satisfactory procedures for achieving the required IT security and environment needed to ensure financial reporting. Our review has focused on significant systems with a direct impact on the financial reports. Our tests have included reviewing access to programs and data, managing program changes and reviewing access restrictions.

Valuation of loan receivables

Recognition and measurement of financial instruments as regulated in IFRS 9 is a complex area with significant impact on Nordnet's business and financial reporting. IFRS 9 is a new and complex accounting standard that requires significant judgement to determine the loan loss provision.

Key areas of judgment include:

- The interpretation of the requirements to determine loan loss provisions under application of IFRS 9, which is reflected in Nordnet's expected credit loss model.
- The identification of exposures with a significant deterioration in credit quality.
- Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors.
- Effect from Covid-19 on above key areas of judgement.

At December 31, 2021, loans to the public amounted to SEK 26 326 million, with loan loss provisions of SEK 105 million.

Given the significance of loans to the public, the impact from the inherent uncertainty and subjectivity involved in assessing loan loss provisions, as well as the extensive disclosures required under IFRS 9, we consider this a key audit matter for our audit.

Refer to critical judgments and estimates in note 4, disclosures of credit risk in note 7 and related disclo-

tures of credit risk in note 16 and lending to the public in note 21.

Our audit procedures included, but were not limited to:

- We evaluated key controls within the loan loss provision process to verify if they are appropriately designed and operated effectively during the year; including key controls for approval, recording and monitoring of loans, input data, accuracy and completeness of loan loss provision.
- We assessed, supported by our credit risk modelling specialists, the modelling techniques and model methodologies against the requirements of IFRS 9. We assessed the sufficiency the underlying models developed for loan loss provisions. We involved our credit risk modelling specialists in the consideration of principal credit risk modelling decisions against requirements of IFRS 9 and industry practice. We evaluated key assumptions, evaluated the calculation methodology and ensured the completeness of source data in the models.
- We assessed the completeness and accuracy of the disclosures relating to loan loss provision to assess compliance with disclosure requirements included in IFRS.
- We have included an assessment of Covid-19 in the above stated audit procedures.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-38 and pages 160-168. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the parent company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report".

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordnet AB (publ) for the financial year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, liquidity and position in general.

The Board of Directors is responsible for the company's

organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Nordnet AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report ae05e4811969e4718c-548cb1bdc7dc0a39088ea7341846f-444938607387d64e8 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordnet AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chap-

ter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a

reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The Auditor's Examination of the Corporate Governance Statement

The Board of Directors is responsible for that the corporate governance statement on pages 53-65 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Deloitte AB, was appointed auditor of Nordnet AB (publ) by the general meeting of the shareholders on the on April 29, 2021 and has been the company's auditor since April 25, 2017.

Stockholm March 23, 2021
Deloitte AB

Patrick Honeth
Authorised public accountant

Definitions.

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

Number of trades¹

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

Number of transactions per trading day¹

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

Number of trading days¹

Number of days on which the relevant exchanges are open.

Number of full-time employees at end of period²

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

Number of customers²

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

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

Return on equity calculated as the period's annualized profit, including interest on additional Tier 1 capital and associated periodized transaction expenses net after tax recognized in equity, in relation to the average of equity excluding Tier 1 capital over the corresponding period. The average of equity excluding Tier 1 capital is calculated based on opening, quarterly and closing equity for the period in question.

Leverage ratio²

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

Cash market²

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

Equity excluding intangible assets¹

Total equity less intangible assets.

Average savings capital per customer – rolling 12 months²

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

Cash deposits at end of period²

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

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

Return on equity calculated as the period's adjusted annualized profit, including interest on additional Tier 1 capital and associated periodized transaction expenses net after tax recognized in equity, in relation to the average of equity excluding Tier 1 capital over the corresponding period. The average of equity excluding Tier 1 capital is calculated based on opening, quarterly and closing equity for the period in question.

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

Return on equity calculated as the period's adjusted annualized profit, including interest on additional Tier 1 capital and associated periodized transaction expenses net after tax recognized in equity, excluding amortization related to acquisitions in relation to the average of equity excluding Tier 1 capital and intangible assets over the corresponding period. The average of equity excluding Tier 1 capital and intangible assets is calculated based on opening, quarterly and closing equity for the period in question.

Adjusted operating income in relation to savings capital²

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

Adjusted C/I ratio %¹

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

Adjusted operating expenses in relation to savings capital²

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

Adjusted profit²

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

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

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

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

⁴ The annualization is calculated as the denominator for the period divided by the ratio of the number of quarters in the period and the number of quarters per year.

Adjusted profit before amortization of intangible assets in purchase consideration allocation²

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

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

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

Adjusted operating income²

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

Adjusted operating expenses before credit losses²

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

Adjusted operating margin²

Adjusted operating profit before tax in relation to operating income.

Adjusted operating profit²

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

Capital base³

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

C/I ratio excluding operating losses¹

Total expenses before credit losses in relation to operating income.

Core Tier 3 capital¹

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

Core Tier I ratio³

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

Net savings²

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

Traded value cash market²

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

Earnings per share²

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

Operating costs³

Operating expenses before credit losses.

Operating margin¹

Operating profit in relation to total operating income.

Savings capital²

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

Savings ratio²

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

Total capital ratio²

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

Lending/deposits²

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

Lending excluding pledged cash and equivalents²

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

Lending at end of period²

Lending to the public at the end of the period.

Profit margin¹

Profit for the period in relation to operating income.

Annual customer growth²

Annual growth in customers over the period.

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

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

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

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

Other sustainability information.

The reporting of our sustainability work has been in accordance the guidelines of the Global Reporting Initiative (GRI) since 2010. Sustainability Report for calendar year 2021 follows GRI Standards 2016, level Core. The Sustainability Report has been prepared in compliance with statutory Sustainability Reporting requirements in the Annual Accounts Act. The account covers Nordnet AB (publ) and its subsidiaries. Nordnet's Sustainability Report 2021 has not been reviewed by the company's auditor.

General Standard Information		Reference/comment
GRI 102: General Standard Information		
102-1	Name of organization	p.40
102-2	Main products and services	p.5
102-3	Location of the organization's headquarters	pp.10, 80
102-4	Countries where activities are conducted	p.5
102-5	Ownership structure and corporate form	p.55
102-6	Markets in which the organization operates	p.5
102-7	Size of organization	pp.4-5, 71, 77, 169
102-8	Total employees	p.169
102-9	Descriptions of the organization's value chain.	p.5
102-10	Significant changes during the accounting period	pp.41-42
102-11	The organization's adherence to the precautionary principle.	p.170
102-12	Externally developed initiatives that the organization follows	pp.20-25
102-13	Associations in which the organization is a member	pp.21-25
102-14	Statement by CEO on the organization's sustainability strategy	p.9
102-16	Values, principles, standards and norms for performances	pp.26-28
102-18	Statement of the company's corporate governance	pp.54-68
102-40	Interest groups with which the organization is in contact	p.168
102-41	Proportion of employees covered by collective agreements	p.32
102-42	Identification and selection of stakeholders	p.168
102-43	Procedures for communication with stakeholders	p.168
102-44	Issues raised through communication with stakeholders and management of these	p.168
102-45	Entities included in the report	p.166
102-46	Process for the definition of report contents	p.168
102-47	Identified essential sustainability areas	p.168
102-48	Effects of changes in previously reported information	pp.41-42
102-49	Significant changes from previous reporting	None significant changes
102-50	Reporting period	p.166
102-51	Publication of most recent report	March 2021
102-52	Reporting Cycle	p.166
102-53	Contact person for questions regarding the report	p.158
102-54	Statement on the report's compliance with GRI standards.	p.166
120-55	GRI index	pp.166-167
102-56	External audit	p.166

Subject-specific standard disclosures		Reference/comment
GRI 201: Economic performance		
103-1, 103-2, 103-3	Governance	pp.26-27
201-1	Generated and distributed financial value	p.168
GRI 203: Indirect economic impact		
103-1, 103-2, 103-3	Governance	pp.20-23
203-1	Investments in infrastructure and services	pp.21-25
203-2	Indirect economic effects	p.22
GRI 205: Anti-corruption		
103-1, 103-2, 103-3	Governance	pp.26-27,171
205-3	Number of confirmed cases of corruption and corrective actions taken	pp.26,171
GRI 302: Energy		
103-1, 103-2, 103-3	Governance	pp.34,36
302-1	The organization's energy consumption	p.34
302-3	Energy intensity	p.36
GRI 305: Emissions		
103-1, 103-2, 103-3	Governance	pp.34,36,170-171
305-1	Direct greenhouse gas emissions	pp.36,170-171
305-2	Indirect greenhouse gas emissions	pp.36,170-171
305-3	Other indirect greenhouse gas emissions	pp.36,170-171
305-4	Greenhouse gas emissions intensity	pp.36,170-171
GRI 401: Employment conditions and Working conditions		
103-1, 103-2, 103-3	Governance	pp.29-30, 172
401-1	Personnel turnover	p.30
GRI 404: Education		
103-1, 103-2, 103-3	Governance	pp.28-30
404-3	Development interview	p.30
GRI 405: Diversity and Equality		
103-1, 103-2, 103-3	Governance	pp.32-33
405-1	Composition of the company	p.170
405-2	Salary differences between genders	p.32
GRI 406: Non-discrimination		
103-1, 103-2, 103-3	Governance	pp.32-33, 172
406-1	Number of cases of discrimination	pp.32, 172
GRI 418: Customer privacy		
103-1, 103-2, 103-3	Governance	pp.27-28
418-1	Number of cases of loss of customer data	34 reported complaints or cases of losses of customer data during the year.

Dialogue with stakeholders.

Nordnet conducts ongoing dialogues on sustainability issues with these stakeholder groups:

- Employees
- Board of Directors
- Savers
- Shareholders
- Suppliers

Each year since 2011, we have distributed a sustainability survey to all Nordnet employees. The survey allows employees to evaluate our sustainability work and provide development proposals. In the survey, employees can also indicate how they commute to and from the workplace, and these statistics are then used when calculating the greenhouse gas emissions of Nordnet as a whole. In 2020, we conducted a survey on sustainability with select customers in Sweden, Norway, Denmark and Finland. In 2021, in-depth interviews were conducted with shareholders and a questionnaire was also distributed to Nordnet's shareholders and Board of Directors, in which they were asked to respond to questions about Nordnet's sustainability work. Based on the survey results with these stakeholder groups, the following priority areas have been identified and updated:

In addition to the stakeholder groups listed in the table above, we also see the media, analysts, government agencies, competitors, and the public as key stakeholders who, in a broader sense, affect our operations.

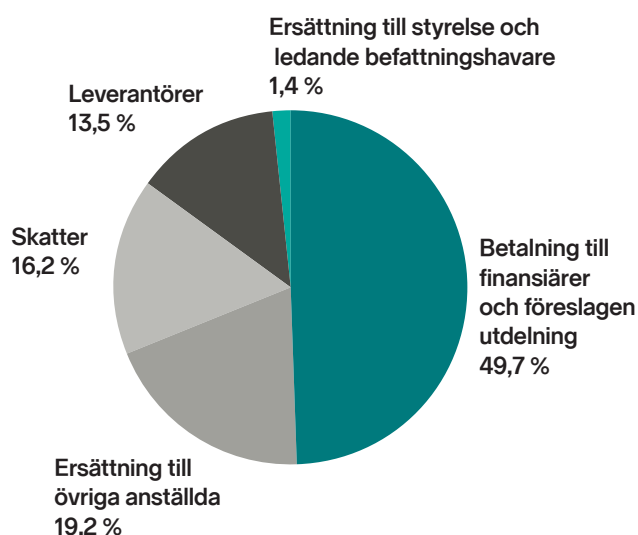
Stakeholder groups	Priority areas in sustainability
Employees	<ul style="list-style-type: none"> • Sustainable investments • Well-being among employees and opportunities for development • Offering transparent financial products • Preventing money laundering
Board of Directors	<ul style="list-style-type: none"> • Sustainable investments and a sustainable mutual fund offering • Making investments available to a wider group of savers
Savers	<ul style="list-style-type: none"> • Anti-corruption • Preventing money laundering • Protecting customer data and privacy
Shareholders	<ul style="list-style-type: none"> • Sustainable investments and a sustainable mutual fund offering • Making investments available to a wider group of savers • Education of the public in savings • Anti-corruption, preventing money laundering and combating financial crime
Suppliers	<ul style="list-style-type: none"> • Customer service and support • Offering transparent financial products • Protecting customer data and privacy

Materiality analysis.

The dialogue with our primary stakeholder groups lays the foundation for our materiality analysis and choice of sustainability issues on which we focus. The results of the materiality analysis are presented in the table below.

Sustainability areas	GRI standards
Democratizing savings and investments	Indirect economic impact, information on sustainable investments, offering transparent and responsible financial products, financial performance, training in personal finance
Equality and Diversity	Diversity and equality
A responsible and sustainable business	Anti-corruption, customer privacy, energy, emissions, terms of employment, working conditions, equal compensation for women and men, non-discrimination

Nordnet's financial impact on various stakeholder groups



Background data for GRI indicators.

In this section, we describe the methods, assumptions, and conversion factors used to develop Norden's GRI indicators. In addition, supplementary tables and information are included in the Annual Report.

Employees.

Employee key figures are based on the actual number of employees as at the end of December and the year, respectively, and are therefore not converted to full-time equivalents or such.

Employees per 31 December	2021		2020		2019	
Sweden	Number (no.)	Women (%)	Number (no.)	Women (%)	Number (no.)	Women (%)
Total number of employees	642	36%	581	37%	483	37%
Number of permanent employees	551	35%	471	35%	419	32%
- Whereof full-time	541	35%	457	35%	414	37%
- Whereof part-time	10	40%	14	50%	5	40%
Number of temporary employees	91	41%	110	44%	64	38%
Finland						
Total number of employees	53	42%	45	44%	38	45%
Number of permanent employees	33	42%	31	45%	31	45%
- Whereof full-time	31	39%	29	41%	30	43%
- Whereof part-time	2	100%	2	100%	1	100%
Number of temporary employees	20	40%	14	43%	7	43%
Norge						
Total number of employees	42	19%	40	18%	46	20%
Number of permanent employees	42	19%	40	18%	33	24%
- Whereof full-time	34	24%	32	22%	33	24%
- Whereof part-time	8	0%	8	0%	0	0%
Number of temporary employees	0	0%	0	0%	13	8%
Danmark						
Total number of employees	61	49%	47	40%	38	39%
Number of permanent employees	57	46%	44	41%	27	48%
- Whereof full-time	36	53%	30	47%	24	46%
- Whereof part-time	21	33%	14	29%	3	67%
Number of temporary employees	4	100%	3	33%	11	18%
	798		713		605	

The table shows how many employees Nordnet has divided by type of employment, region and gender, as well as the number of employees excluding those on parental leave or leave of absence.

Composition of the company		2020		2019		2018	
Employees at different levels at the company		2020		2019		2018	
		Number (no.)	Women (%)	Number (no.)	Women (%)	Number (no.)	Women (%)
Board of Directors		8	38%	8	25%	7	14%
Under 30 years		0	0%	0	0%	0	0%
30 - 50 years		4	50%	5	40%	5	20%
Over 50 years		4	25%	3	0%	2	0%
Management¹		10	30%	9	33%	8	38%
Under 30 years		0	0%	0	0%	0	0%
30 - 50 years		5	20%	4	25%	5	40%
Over 50 years		5	40%	5	40%	3	33%
Employees with staff responsibility		75	41%	66	38%	56	34%
Under 30 years		7	86%	5	60%	5	40%
30 - 50 years		60	32%	53	32%	45	31%
Over 50 years		8	75%	8	63%	6	50%
Other employees		713	36%	638	36%	541	36%
Under 30 years		310	39%	281	38%	221	34%
30 - 50 years		348	33%	312	33%	278	37%
Over 50 years		55	42%	45	42%	42	43%

The table shows the composition of the company by gender and age for different levels of the company

and the number of employees, excluding parental leave and personnel on leave of absence.¹The table shows the number of employees excluding consultants.

Environment.

Energy

To recalculate the energy consumption from MWh to GJ, the conversion factor 3.6 is used.

Greenhouse gas emissions

Nordnet has a small environmental impact and we do not express ourselves in terms of compliance with the precautionary principle when dealing with the environmental impact that our business causes.

To calculate our greenhouse gas emissions, we use, to the extent possible, conversion factors that include all relevant greenhouse gases, i.e. CO₂, CH₄, N₂O, HFCs,

PFCs, SF₆ and NF₃. We do not implement our own conversions from other greenhouse gases to CO₂e and therefore have no overall value for Global Warming Potential (GWP).

Just like fossil fuels, combustion of renewable fuels causes greenhouse gas emissions, but as these emissions are part of a cycle we do not report emissions. The conversion factors related to the consumption of renewable fuels are the part of the fuel that is fossil fuel. However, we report fossil greenhouse gas emissions that arise in the production of fossil and renewable fuels.

Nordnets greenhouse gas emissions, tonnes CO ₂ e	2021	2020	2019
Scope 1, direct GHG emissions	0.0	0.4	0.0
Scope 2, indirect GHG emissions	55	76	84
Scope 3, other indirect GHG emissions	67	77	160
Total GHG emissions	122	153	244

The table details Nordnet's greenhouse gas emissions by Scope in accordance with the Greenhouse Gas Protocol. Nordnet's CO₂ emissions for electricity consumption by geographical valuation (location based): 80 tonnes CO₂e.

Activity	Activity data	Conversion factor
Electricity consumption	Data for each office and data centre	Conversion factor consists of specific contracts or residual-mix: 356.27 g CO ₂ e/kWh. Source: Swedish Energy Markets Inspectorate (Ei)
District heating	Data for each office	Statistics from each supplier Stockholm: 49 g CO ₂ e/kWh (2019) Copenhagen: 49.9 g CO ₂ e/kWh (2019) Oslo: 1 g CO ₂ e/kWh (2019) Helsinki: 182 g CO ₂ e/kWh (2019)
District cooling	Data for each office and data centre	Statistics from supplier. Stockholm: 0 g CO ₂ e/kWh (2019)
Business-related travel, company vehicle	Driving distance in company cars is based on employee reporting to receive mileage compensation for business-related travel	The result refers to driving distance and average consumption for mixed driving for each car in combination with the following conversion factors: Petrol: 2,260 g CO ₂ /litre Source: Drivkraft Sverige
Business-related travel, private car	Driving distance in company cars is based on employee reporting to receive mileage compensation for business-related travel	Assumptions regarding petrol-fuelled cars: Consumption: 0.58 l/10km Emissions: 146.85 g CO ₂ e/km Source: Swedish Environmental Protection Agency, Swedish Transport Agency
Business-related travel, taxi	Statistics comprise booked taxi expenses	Assumptions on travel with average Taxi Stockholm: 8 g CO ₂ /SEK. Source: Taxi Stockholm
Business-related travel, air travel	Statistics comprise booked expenses for airline tickets	Emissions report from travel agency is used as a template for calculating all air travel expenses.
Employee commuting	Average travel distance with different forms of transportation, calculated from responses in employee survey sent to all employees.	Petrol vehicle: 129.71 g CO ₂ e/km Diesel vehicle: 136.74 g CO ₂ e/km Ethanol vehicle: 191.61 g CO ₂ e/km Gas vehicle: 102 g CO ₂ e/km Hybrid vehicle: 43.05 g CO ₂ e/km Motorcycle/moped: 92 g CO ₂ e/km Rail transport: 0.2 g CO ₂ e/pkm Buses: 70 g CO ₂ e/pkm Source: Swedish Transport Agency, NTM and SJ

The table shows which activities, assumptions and conversion factors are the basis for Nordnet's reporting of greenhouse gas emissions.

Risks, governance and follow-up of sustainability.

Sustainability area	Risk description	Policies and governance	Follow-up and results
Social conditions, personnel and human rights.	Ensuring a favourable work environment and that our employees are motivated is the key to our success. As a digital platform, we are dependent on an IT workforce, a workforce that is in short supply. The risks we see in this area include not being able to recruit staff at the pace we would like, that skilled employees leave and risks associated with health and workload. Finance and tech are areas mainly dominated by male employees, and there is therefore a risk that Nordnet's gender distribution will be one-sided. Nordnet's operations are concentrated in the Nordic countries; a region where the incidence of human rights violations is normally low. Nordnet has not specified any specific risks in the area of human rights.	Relevant policies adopted for Nordnet's operations in these areas are, for example, Equal Opportunities Policy, Work Environment policy, Remuneration Policy and Employee Handbook. Nordnet has a work environment committee that works systematically with health promotion, prevention and aftercare with activities. Nordnet's overarching target scenario is a 50/50 distribution between women and men, albeit with a tolerance interval of +/- 10. The objective is to achieve and maintain a safe and stimulating work environment for every employee. Read more about our corporate governance on pages 28–32.	We work proactively and systematically with Nordnet's work environment to achieve a high level of motivation and to reduce absenteeism due to illness or stress. Sick leave was 2.1 percent in 2021, which is less than 2020 when sick leave was 2.5 percent. Nordnet's employee satisfaction has developed in a positive direction for several years. We work actively with our work environment and to increase our attractiveness as an employer by, for example, investing in creating an engaging culture, providing opportunities for personal development and arranging health-promoting activities. Nordnet's stated objective is for the workplace to be characterized by diversity and equality, and we work actively to prevent discrimination. No cases of discrimination were reported in 2021. The proportion of women among newly recruited employees increased by 3 percentage points compared with 2020. Read more on pages 28–32.
Combating corruption and financial crime.	Corruption is a broad concept defined in accordance with GRI as when someone uses their position for their own gain. Corruption can take various forms, such as bribery, fraud, extortion, money laundering, abuse of power and conflicts of interest. Financial sector players are always at risk of being exploited by criminals for financial crimes such as money laundering, fraud, unfair market impact or insider trading. The presence of such criminal activities and violations may harm Nordnet and its customers, brands and investors.	Nordnet applies internal rules and control processes to combat financial crime and corruption. Relevant policies that have been adopted in this area include an Anti-Corruption Policy, Ethics Policy, Policy on Conflicts of Interest, Policy and Guidelines in the Area of Money Laundering and a Code of Conduct for employees. Nordnet has also set up a whistle-blower function that enables employees to report any irregularities completely anonymously. Nordnet also has a dedicated department, the Financial Crime Prevention Unit, which, among other things, monitors customer transactions and otherwise works to prevent financial crime. As of January 2022, this function reports directly to the CEO. Read more on pages 26–28.	We regularly hold training in relevant areas, such as the Code of Conduct, money laundering and financial crime. No incidents linked to corruption according to GRI 205–3 in 2021 have been reported or detected through internal control processes. Read more about how we combat corruption and financial crime on pages 26–28.
Environment and climate.	Reducing our climate footprint and our direct impact on the environment is part of our sustainability work. As we have a digital business model without physical bank branches, have no corporate lending and do not trade in shares on our own behalf, we generally assess our environmental and climate risks as small. However, Nordnet or our partners may be affected by natural disasters and the like, and some exposure also arises in our mortgage portfolio, margin lending and securities portfolio. A risk in this area is also that we at Nordnet fail to meet our customers' demand for information services and sustainable-savings investment alternatives.	Nordnet seeks to minimize risks related to the environment and climate, and the management of these is therefore an integral part of our general risk framework, which is approved by the Board. Accordingly, considerations and controls regarding specific environmental and climate risks are addressed in the management of credit risks, market risks and operational risks. Minimizing our climate footprint is part of Nordnet's overall Sustainability Policy.	To monitor Nordnet's environmental and climate effects, we measure our energy consumption and greenhouse gas emissions annually. We compensate for greenhouse gas emissions by planting trees through Plan Vivo's ArBolia project. We strive to use 100-percent renewable electricity in our energy consumption. We have addressed the risks within our lending and securities portfolio with additional controls to mitigate any climate risks. We assess and follow up our customers' and other stakeholders' views on Nordnet's sustainability work and product range in sustainable savings. Read more on pages 22 and 34–36.

Auditor's opinion regarding the statutory sustainability report.

To the annual meeting of shareholders in Nordnet AB (publ), corporate identity number 559073-6681

Mission and division of responsibility

The Board of Directors is responsible for the sustainability report for 2021 on pages 18-38 and pages 164-170 and for its preparation in accordance with the Annual Accounts Act.

Audit focus and scope.

Our examination has been conducted in accordance with FAR's recommendation RevR 12 "The auditor's opinion on the statutory sustainability report". This entails that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions.

A sustainability report has been prepared.

Stockholm, 17 March 2022
Deloitte AB

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Authorized Public Accountant

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