

# Nordax Holding AB (publ)

INTERIM REPORT JANUARY-SEPTEMBER 2022

# About the Group, Nordax Holding AB (publ)

## ABOUT THE GROUP

Nordax Holding AB (publ) (corporate identification number 559097-5743) with its registered office in Stockholm at Box 23124, SE-104 35 Stockholm, Sweden, telephone number +46 8 508 808 00, [www.nordaxgroup.com](http://www.nordaxgroup.com), hereinafter "Nordax", is approximately 19 percent owned by Sampo Oyj based in Finland, approximately 41 percent by Cidron Xingu Sarl based in Luxembourg and approximately 33 percent by Cidron Humber Sarl based in Luxembourg. The remaining shares are owned by a few minority owners through NDX Intressenter Invest II AB and NDX Intressenter Invest III AB, both based in Sweden. Nordic Capital Fund VIII, has an indirect ownership in Nordax Holding AB (publ) through its holding in Cidron Humber Sarl and Nordic Capital Fund IX has an indirect ownership in Nordax Holding AB (publ) through its holding in Cidron Xingu Sarl.

The Group's operating subsidiaries are Nordax Bank AB (publ), which since 2014 has been licensed to conduct banking operations, Bank Norwegian ASA, which has been licensed as a bank under Norwegian law since 2007, and Svensk Hypotekspension AB, which since 2018 has been licensed to conduct mortgage lending under the Mortgage Credit Act.

The acquisition of Bank Norwegian was completed in November 2021. This means that, for the interim report of January-June 2022, Bank Norwegian is fully included in the outcome for the Group, but that it is missing in the corresponding comparison period.

Nordax Bank AB was authorized on 27 January 2004 as a credit market company to carry on finance activities. On 5 December 2014, Nordax received approval to carry on banking activities by the Swedish Financial Supervisory Authority according to the Banking and Finance Business Act and changed its name to Nordax Bank AB (publ).

Using a centralized business model and an organization based in Stockholm, Nordax conducts cross-border banking activities in Sweden, Norway, Denmark, Finland, Germany and the Netherlands in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

Subsidiary Bank Norwegian ASA, which is subject to the supervisory authority of Finanstilsynet (the Financial Supervisory Authority of Norway), conducts banking activities in Norway, alongside cross-border banking activities in Sweden, Finland, Denmark, Germany and Spain in accordance with the above Directive.

Nordax's main business consists of lending to the general public in the Nordic countries, Germany and Spain. Although Nordax previously operated in Germany to a small extent, it was in 2021, through its subsidiary Bank Norwegian, that new lending was launched on these non-Nordic markets.

Lending consists of unsecured loans up to the equivalent of SEK 600,000, NOK 600,000, DKK 400,000 and EUR

60,000 in Finland. Since 2018, loans secured against residential property are offered in Sweden and, as of the first quarter 2019, also in Norway. In January 2019, Nordax finalized the acquisition of Svensk Hypotekspension AB (SHP). SHP offers secured loans against residential property to Swedes aged 60 and older through the product equity release mortgage. Since November 2021, Nordax also offers credit cards in the Nordic countries, Germany and Spain through its subsidiary Bank Norwegian.

Nordax Group also offers savings accounts to the general public in Sweden, Norway, Finland, Germany, Spain and the Netherlands. Deposits in savings accounts are one element of Nordax's diversified financing platform, which also consists of asset-backed securities, financing against collateral from international banks, bonds, equity and subordinated liabilities.

## DEVELOPMENT JANUARY – SEPTEMBER

### Personal loans and credit cards

During the first nine months Nordax Group's portfolios of both private loans and credit cards continued to show good growth. As of 30 September, the total volume of personal loans and credit cards amounted to SEK 69.6 billion (SEK 58.7 billion as of 31 December 2021).

### Mortgage loans

Nordax began offering mortgages in Sweden in 2018. The main target group is customers with some form of non-traditional employment, i.e. self-employed or temporary employees, including project, part-time or replacement workers. Thanks to thorough credit assessments and personal contacts, more loans are approved for this customer group, which is often denied by the major banks despite being financially stable. Interest in the offer has been high and new lending continues to grow.

At the end of the first quarter 2019, Nordax also launched mortgage loans in the Norwegian market. As in Sweden, the target group in Norway is the non-standard segment, i.e. customers who fall outside the narrow framework of the major banks.

New lending has continued to develop well in both Sweden and Norway and the total mortgage portfolio amounted to SEK 6.4 billion as of 30 September (5.1 billion as of 31 December 2021).

### Equity release mortgages

In line with previous historical periods, the portfolio has continued to develop well during the beginning of 2022 and shows stable new lending. The market for equity release mortgages has good development potential and SHP has a strong brand within the customer group with continued great customer interest. The total portfolio of equity release mortgages amounted to SEK 8.5 billion as of 30 September (SEK 7.6 billion as of 31 December 2021).

### Portfolio development

Total lending as of 30 September 2022 amounted to SEK 84.5 billion (SEK 71.4 billion as of 31 December 2021). All products contributed to the increase in volume.

### Capital and liquidity

Nordax's consolidated situation has a strong capital and liquidity position.

The CET1-capital ratio for the period is 15.22% (15.11% as of 30 June 2022), the Tier 1 capital ratio is 17.32% (17.28% as of 30 June 2022) and the total capital ratio is 19.01% (19.03% as of 30 June 2022).

The CET1-capital ratio requirement for the period is 12.25% (11.89% as of 30 June 2022), Tier 1 requirement is 14.09% (13.74 % as of 30 June 2022) and the total capital ratio requirement is 17.07% (16.75% as of 30 June 2022). During the quarter, the development of Nordax's net profit corresponds to the increase in risk-weighted assets contributing to small changes in the capital ratio. The capital requirements increased during the period mainly due to Sweden and Denmark raising the countercyclical capital buffer from 0% to 1%, which increases Nordax's countercyclical capital buffer requirements to 0.85% (0.42% as of 30 June 2022).

Nordax's CET1 capital increased during the third quarter amounting to SEK 10,270 billion (SEK 9,844 billion as of 30 June 2022) mostly driven by the positive net profit.

The leverage ratio is 10.64% (10.32% as of 30 June 2022).

The liquidity reserve as of September 30, 2022 amounts to SEK 18.7 billion (SEK 23.3 billion as of June 30, 2022) and consists mainly of investments in covered bonds, central banks and interest-bearing securities issued by central governments, municipalities and supra nationals. The liquidity coverage ratio (LCR) is 135.0% (140.4% as of 30 June 2022). In the calculation of Nordax's LCR, the excess liquidity buffer from Bank Norwegian is not included. If including the excess liquidity buffer, Nordax's LCR would be 224.9% (352.4% as of 30 June 2022).

The net stable funding ratio (NSFR) for the period is 122.8% (128.3% as of 30 June 2022). Nordax has a diversified funding structure with different sources allocated between credit institutions, the capital market and deposits from the public. Deposits from the public is the largest funding source and amounts to SEK 72.0 billion as of 30 September 2022 (70.6 billion as of 30 June 2022).

For more details on Nordax's capital adequacy and liquidity, see Note 5 Capital adequacy analysis.

### Other events

The uncertainty on the financial markets and in the real economy remained during the third quarter. The war in Ukraine, soaring energy prices and generally high inflation continued to pressure both households and corporations, as well as central banks. The latter thereby continued on their planned cycles for interest rate hikes, with further upward revisions from the Swedish as well as the Norwegian central bank, as well as from their peers in other countries. This can be expected to affect the business of Nordax which is why the bank has continued to carefully monitor and adapt to the potential effects, even though no major negative outcomes have yet materialised. Because of the rising interest rate levels, Nordax has raised interest rates in all markets.

During the quarter, Nordax completed the sale of four NPL portfolios in Norway, Finland and Denmark. This resulted in a decrease of MSEK 791 in gross loans. Together with the Bank Norwegian sale of two NPL portfolios in Finland and Sweden during the second quarter, the total portfolio sale during 2022 now amounts to MSEK 3,353. This has contributed to the decrease in the ratio between Stage 3 gross lending and total gross lending, reaching 12.2% in Q3 2022 compared to 16.7% for the full year 2021.

### Subsequent events

In October, Nordax through its subsidiary Nordax Sweden Mortgages 1 AB (publ), signed a new bilateral secured financing vehicle with a frame of SEK 2.3 billion with an international Bank.

As previously announced, Nordax Bank AB (publ) and Bank Norwegian ASA are in the process of implementing an intragroup merger between the companies. During Q4 2022, the Norwegian Financial Supervisory Authority (the "NFSA") and the Swedish Financial Supervisory Authority (the "SFSA") approved the merger. All necessary regulatory approvals to complete the merger have accordingly been obtained. The merger is expected to be completed during Q1 2023 at the latest.

The merger will be implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian newly established branch of Nordax, which has been approved by the NFSA and the SFSA. The merger will not impact the services and products offered by Nordax and Bank Norwegian, and the two respective brands will continue to coexist.

# Result January–September 2022

## GROUP

Operating profit amounted to MSEK 1,149 (543). The increase is explained by the consolidation of Bank Norwegian and by growing lending. However, the result includes increased costs among other things driven by integration costs related to the acquisition of Bank Norwegian.

Net interest income amounted to MSEK 4,884 (1,266). The increase is mainly due to the consolidation of Bank Norwegian. Net interest income also increased through growing lending and by the review carried out during the first quarter regarding estimated effective interest rate.

Credit losses amounted to MSEK -1,567 (-112), corresponding 2.7 per cent (0.5) of average lending. The increase is mainly explained by the consolidation of Bank Norwegian, but also by the estimated effective interest rate.

Operating expenses amounted to MSEK -2,246 (-676). The increase is mainly explained by the consolidation of Bank Norwegian, but also by investments in operations, among other things connected to the ongoing integration work, increased personnel costs and sales-related costs.

## PARENT COMPANY

Total net sales was MSEK 17 (3).

Total operating expenses was MSEK -12 (-10).

Result from financial investments was MSEK 36 million (150).

# Risks and internal control

## RISKS AND UNCERTAINTIES

Bank Norwegian ASA was acquired in 2021, increasing the scope and complexity of the new consolidated situation's business and risks. The increased complexity is apparent in the addition of new Norwegian companies that comply with Norwegian law and the Norwegian implementation of governing regulations. This places greater demands on compliance but is fully in line with the Group's aim to achieve a high level of compliance with often complex regulations. Large-scale efforts have been executed during the period to establish a new Group-wide framework for risk appetite and risk management, as well as to increase the general level of Governance Risk and Compliance maturity within the Group, in order to handle the greater complexity and meet the new and increased requirements that apply to the Group.

The Group is exposed to both credit risks and other financial risks, such as market risk and liquidity risk. The Group is also exposed to operational risks, such as IT risks, process risks and external risks, compliance risks, the risk of exposure to financial crime and business risks.

As the business of Bank Norwegian is conducted in Norway by a Norwegian group operating in several currency areas in Europe, the acquisition has resulted in a significantly increased market risk, which has prompted a greater focus in the business on the good management of market risk. The Group's derivatives, which comprise interest rate swaps and

currency swaps, have been entered into in order to hedge the risks relating to interest rate and exchange rate exposures that arise in the Group's operations. All derivatives are measured at fair value in the statement of financial position.

The Group's overall risk policy and risk appetite policy set out the Group's appetite for each risk and the relevant strategy, as well as roles and responsibilities, for managing the risk.

## INTERNAL CONTROL

The Group has established an organization of independent risk control and compliance functions in accordance with the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding governance, risk management and control at credit institutions (FFFS 2014:1) as well as the European Banking Authority's Guidelines on internal governance. The risk control and compliance work within the Group is led and coordinated by the Board's appointed Chief Risk Officer (CRO) and Chief Compliance Officer (CCO) respectively. Significant companies in the Group have their own autonomous control functions with independent areas of responsibility. All independent control functions report directly to their respective Boards of Directors and CEOs. EY has had the internal audit assignment since January 2022.

# Key Figures

GROUP	Q3 2022	Q2 2022	Q3 2021	JAN-SEP 2022	JAN-SEP 2021
Common Equity Tier 1 Capital Ratio in %	15.2	15.1	15.6	15.2	15.6
Return on equity in %	7.2	4.5	7.1	5.0	7.2
Net credit loss level % <sup>1</sup>	2.4	2.4	0.6	2.7	0.5
Cost to income ratio %	40	50	49	45	51
Number of employees <sup>2</sup>	597	559	363	597	363

<sup>1</sup> Including new estimated effective interest rate from Q1 2022.

<sup>2</sup> Number of employees is recalculated to full time employees.

# Consolidated income statement

GROUP		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK	Note	2022	2022	2021	2022	2021
Operating income						
Interest income	8	2,000	1,855	533	5,684	1,555
Interest expense	8	-309	-258	-99	-800	-289
Total net interest income		1,691	1,597	434	4,884	1,266
Commission income	8	120	108	21	297	59
Net profit from financial transactions	8	-50	-60	-1	-219	6
Other operating income		0	0	0	0	0
Total operating income		1,761	1,645	454	4,962	1,331
Operating expenses						
General administrative expenses	8	-462	-489	-171	-1,353	-511
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	8	-70	-70	-14	-212	-44
Other operating expenses	8	-179	-271	-38	-681	-121
Total operating expenses		-711	-830	-223	-2,246	-676
Profit before credit losses		1,050	815	231	2,716	655
Net credit losses	3, 8	-492	-465	-50	-1,567	-112
Operating profit		558	350	181	1,149	543
Tax on profit for the period		-134	-85	-44	-275	-127
NET PROFIT FOR THE PERIOD		423	265	137	874	416

# Consolidated statement of comprehensive income

	Note	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK		2022	2022	2021	2022	2021
Items to be reclassified in the income statement						
Gains and losses on revaluation during the year		23	87	-	226	-
Tax on gains and losses on revaluation during the year		-5	-21	-	-51	-
Total cash flow hedges		18	66	-	175	-
Translation of foreign subsidiaries		-374	-534	-	-158	-
Hedge accounting of net investment before tax		212	280	-	-401	-
Tax		-43	-56	-	83	-
Total translation differences		-205	-310	-	-476	-
Items not to be reclassified in the income statement						
Changes in value of other shares		0	4	-	4	-
Total		0	4	-	4	-
Total other comprehensive income		-187	-240	-	-297	-
COMPREHENSIVE INCOME		236	25	137	577	416
Attributable to:						
The Parent Company's shareholders		236	41	137	560	416
Holders of Tier 1 capital		0	-16	-	17	-

# Parent Company income statement

PARENT COMPANY		Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK		2022	2022	2021	2022	2021
	Note					
Net sales		7	2	1	17	3
Total net sales		7	2	1	17	3
Operating expenses						
Employee expenses		-2	-1	-1	-9	-3
Other external expenses		0	-2	-2	-3	-7
Total operating expenses		-2	-3	-3	-12	-10
Operating profit		5	-1	-2	5	-7
Result from financial investments						
Profit from shares in group companies		-	-	-	-	-
Interest expenses and similar expenses		-7	-1	0	-15	0
Received group contribution		-	-	-	-	-
Dividend received		18	33	150	51	150
Result from financial investments		11	32	150	36	150
Result after financial items		16	31	148	41	143
Tax on profit for the period		-	-	0	-	0
NET PROFIT FOR THE PERIOD		16	31	148	41	143

## Parent company statement of comprehensive income

Comprehensive income corresponds to net profit for the period.

# Consolidated statement of financial position

Group

All amounts are in MSEK	Note	30 September 2022	31 December 2021
<b>ASSETS</b>			
Lending to central banks	6,7	3,529	1,924
Lending to credit institutions	6,7,9	1,991	3,258
Lending to the general public	4,6-9	84,525	71,391
Bonds and other fixed-income securities	6,7	13,627	23,318
Derivatives	6,7	845	140
Other shares	6,7	177	154
Intangible assets		12,313	12,549
Tangible assets		10	11
Right-of-use assets		68	82
Deferred tax assets		13	-
Current tax assets		2	2
Other assets	6,7	283	76
Prepaid expenses and accrued income		86	64
<b>TOTAL ASSETS</b>		<b>117,469</b>	<b>112,969</b>
<b>LIABILITIES, PROVISIONS AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	6,7	7,872	6,609
Deposits from the general public	6,7	71,985	67,424
Issued securities	6,7	9,863	10,866
Derivatives	6,7	520	437
Current tax liabilities		89	479
Deferred tax liability		1,061	1,083
Other liabilities	6,7	611	570
Accrued expenses and deferred income		463	481
Subordinated liabilities	6,7	1,507	1,721
<b>Total liabilities</b>		<b>93,971</b>	<b>89,670</b>
<b>Equity</b>			
Share capital		2	2
Other reserves		20,917	20,917
Fair value reserve		39	35
Cash flow hedges		178	3
Tier 1 capital instruments		1,460	1,757
Translation of foreign operations, net		-369	109
Retained earnings, incl. profit for the year		1,271	476
<b>Total equity</b>		<b>23,498</b>	<b>23,299</b>
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>		<b>117,469</b>	<b>112,969</b>

# Consolidated statement of financial position

Parent Company

All amounts in MSEK	Not	30 September 2022	31 December 2021
<b>Financial assets</b>			
Shares in group companies		22,014	22,014
<b>Total financial assets</b>		<b>22,014</b>	<b>22,014</b>
<b>Total fixed assets</b>		<b>22,014</b>	<b>22,014</b>
<b>Short-term assets</b>			
Receivables group companies		894	821
Other assets		0	0
Prepaid expenses and accrued income		0	1
<b>Total short-term assets</b>		<b>894</b>	<b>822</b>
Cash and bank balances		75	157
<b>Total current assets</b>		<b>969</b>	<b>979</b>
<b>Total assets</b>		<b>22,983</b>	<b>22,993</b>
<b>Liabilities, provisions and equity</b>			
<b>Equity</b>			
Share capital		2	2
Other reserves		20,917	20,917
Tier 1 capital instruments		1,333	1,320
Retained earnings, incl. profit for the year		113	125
<b>Total equity</b>		<b>22,365</b>	<b>22,364</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current tax liabilities		0	1
Accrued expenses and prepaid income		1	1
Other liabilities		7	13
Subordinated liabilities		610	614
<b>Total current liabilities</b>		<b>618</b>	<b>629</b>
<b>Total liabilities</b>		<b>618</b>	<b>629</b>
<b>Total liabilities, provisions and equity</b>		<b>22,983</b>	<b>22,993</b>

# Statement of cash flows

Group	JAN-SEP 2022	JAN-SEP 2021
All amounts are in MSEK		
<b>Operating activities</b>		
Operating profit <sup>1</sup>	1,149	543
Adjustment for non-cash items		
Exchange rate effects	261	-37
Depreciation, amortization and impairment of property, plant & equipment	205	44
Amortization of financing costs	16	3
Unrealized changes in value of bonds and other fixed income securities	-728	3
Credit losses	2,344	504
Net changes in hedged items in hedge accounting	-143	-
Reversal of acquired surplus value in lending to the general public	251	114
Income tax paid	-639	-135
<b>Change in operating assets and liabilities</b>		
Decrease/Increase in lending to the general public	-17,100	-4,388
Decrease/Increase in other assets	-740	16
Decrease/Increase in deposits from the general public	5,413	3,042
Decrease/Increase in other liabilities	-121	59
<b>Cash flow from operating activities</b>	<b>-9,832</b>	<b>-182</b>
<b>Investing activities</b>		
Purchase of shares	-23	-302
Value change of shares	4	-
Purchase of tangible assets	-2	-1
Investments in intangible assets	-25	-
Investment in bonds and other interest bearing securities	-27,239	-36,814
Sale/disposal of bonds and other fixed income securities	37,619	35,248
<b>Cash flow from investing activities</b>	<b>10,334</b>	<b>-1,869</b>
<b>Financing activities</b>		
Change to liability to credit institutions	1,263	4,899
Change issued securities	-941	0
Change subordinated liabilities	-225	0
Tier 1 capital dividend <sup>2</sup>	-55	-
Paid interest Tier 1 capital	-311	-
<b>Cash flow from financing activities</b>	<b>-269</b>	<b>4,899</b>
<b>Cash flow for the period</b>	<b>233</b>	<b>2,848</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,182</b>	<b>1,872</b>
<b>Exchange rate differences and cash equivalents</b>	<b>105</b>	<b>3</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,520</b>	<b>4,723</b>

<sup>1</sup> Whereof received interest 5,055 MSEK (855 MSEK) and paid interest 514 MSEK (157 MSEK).

<sup>2</sup> Tier 1 capital issued refers to the cash received less transaction costs and interest paid.

Cash and cash equivalents is defined as lending to central banks excluding rix certificates and lending to credit institutions. Pledged cash and cash equivalents under Note 9 are available to Nordax in connection with monthly settlement under financing agreements and are therefore defined as cash and cash equivalents due to being pledged for a maximum of 30 days and therefore short-term.

# Statement of changes in equity

## Group

All amounts are in MSEK	Share capital	Other reserves	Translation of foreign operations	Fair value reserv	Cash flow hedges	Retained earning	Sum	Tier 1 capital instruments	TOTAL
<b>OPENING BALANCE 1 JANUARY 2021</b>	<b>1</b>	<b>6,777</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>645</b>	<b>7,458</b>	<b>-</b>	<b>7,458</b>
<b>Comprehensive income</b>									
Net profit/loss for the year	-	-	-	-	-	-154	-154	17	-137
Other comprehensive income	-	-	109	-	3	-	112	-	112
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>-</b>	<b>3</b>	<b>-154</b>	<b>-42</b>	<b>17</b>	<b>-25</b>
Reclassification	-	-	-	0	-	-5	-5	-	-5
Tier 1 capital instruments acquired <sup>1</sup>	-	-	-	-	-	-	-	428	428
Tier 1 capital instruments issued <sup>1</sup>	-	-	-	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments <sup>1</sup>	-	-	-	-	-	-10	-10	-4	-14
<b>Transactions with shareholders</b>									
Non-cash issue <sup>2</sup>	0	4,491	-	-	-	-	4,491	-	4,491
New share issue <sup>3</sup>	1	9,649	-	-	-	-	9,650	-	9,650
<b>Total transactions with shareholders</b>	<b>1</b>	<b>14,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,141</b>	<b>-</b>	<b>14,141</b>
<b>CLOSING BALANCE 31 DECEMBER 2021</b>	<b>2</b>	<b>20,917</b>	<b>109</b>	<b>35</b>	<b>3</b>	<b>476</b>	<b>21,542</b>	<b>1,757</b>	<b>23,299</b>
<b>OPENING BALANCE 1 JANUARY 2022</b>	<b>2</b>	<b>20,917</b>	<b>109</b>	<b>35</b>	<b>3</b>	<b>476</b>	<b>21,542</b>	<b>1,757</b>	<b>23,299</b>
<b>Comprehensive income</b>									
Net profit/loss for the year	-	-	-	-	-	859	859	15	874
Other comprehensive income	-	-	-478	4	175	-	-299	2	-297
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-478</b>	<b>4</b>	<b>175</b>	<b>859</b>	<b>560</b>	<b>17</b>	<b>577</b>
Paid interest Tier 1 capital instruments	-	-	-	-	-	-55	-55	-	-55
Repayment of Tier 1 capital instruments <sup>4</sup>	-	-	-	-	-	-	-	-311	-311
Change in Tier 1 capital instruments	-	-	-	-	-	-9	-9	-3	-12
<b>CLOSING BALANCE 30 SEPTEMBER 2022</b>	<b>2</b>	<b>20,917</b>	<b>-369</b>	<b>39</b>	<b>178</b>	<b>1,271</b>	<b>22,038</b>	<b>1,460</b>	<b>23,498</b>

<sup>1</sup>Instruments issued are deemed to meet the conditions for an equity instrument, of which MSEK 437 relating to Tier 1 capital instruments in Bank Norwegian as of 31 December 2021, corresponding MSEK 428 at the time of acquisition.

<sup>2</sup>A non-cash issue has taken place in connection with the closing of the acquisition of 100% of the shares in Bank Norwegian.

<sup>3</sup>New share issue and shareholder contributions have been received as part of the financing of the acquisition of Bank Norwegian. The contingent shareholder contribution amounts to MSEK 8,449.

<sup>4</sup>Bank Norwegian has repayed MNOK 300 of Tier 1 capital in June.

# Statement of changes in equity

## Parent Company

	Restricted equity		Non-res- tricted equity		Tier1 capital instru- ments	
All amounts are in MSEK	Share capital	Other Funds	Retained Earnings	Sum		TOTAL
OPENING BALANCE 1 JANUARY 2021	1	6,777	-2	6,776	-	6,776
Comprehensive income						
Net profit/loss for the year	-	-	125	125	11	136
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income			125	125	11	136
Tier 1 capital instruments issued¹	-	-	-	-	1,316	1,316
Change in Tier 1 capital instruments¹	-	-	-	-	-7	-7
Transactions with shareholders						
Non-cash issue²	0	4,491	-	4,491	-	4,491
New share issue³	1	-	-	9,650	-	9,650
Other	-	-	2	2	-	2
Total transactions with shareholders	1	14,140	2	14,143	-	14,143
CLOSING BALANCE 31 DECEMBER 2021	2	20,917	125	21,044	1,320	22,364
OPENING BALANCE 1 JANUARY 2022	2	20,917	125	21,044	1,320	22,364
Comprehensive income						
Net profit/loss for the year	-	-	26	26	15	41
Total comprehensive income	-	-	26	26	15	41
Reclassification	-	-	-1	-1	-	-1
Change in Tier 1 capital instruments	-	-	2	2	-2	0
Paid interest Tier 1 capital instruments	-	-	-39	-39	-	-39
CLOSING BALANCE 30 SEPTEMBER 2022	2	20,917	113	21,032	1,333	22,365

<sup>1</sup>Instruments issued are deemed to meet the conditions for an equity instrument, of which MSEK 437 relating to Tier 1 capital instruments in Bank Norwegian as of 31 December 2021, corresponding 428 MSEK at the time of acquisition.

<sup>2</sup> A non-cash issue has taken place in connection with the closing of the acquisition of 100% of the shares in Bank Norwegian.

<sup>3</sup>New share issue and shareholder contributions have been received as part of the financing of the acquisition of Bank Norwegian. The contingent shareholder contribution amounts to MSEK 8,449.

# Notes

Amounts stated in the notes are in MSEK unless otherwise stated. The information on pages 1-3 is an integrated part of this interim report.

## Note 1 General information

---

Nordax Holding AB (publ) (Corporate Identity Number 559097-5743), with its registered office in Stockholm, is the parent company to Nordax Group AB (publ) (Corporate Identity Number 556993-2485), registered office in Stockholm.

The Group's operating subsidiaries are Nordax Bank AB

(publ), which since 2014 has been licensed to conduct banking operations, Bank Norwegian ASA, which has been licensed as a bank under Norwegian law since 2007, and Svensk Hypotekspension AB, which since 2018 has been licensed to conduct mortgage lending under the Mortgage Credit Act.

## Note 2 Accounting and valuation Principles

---

The interim report has been prepared according to IAS 34, Interim Financial Reporting. The consolidated accounts for the Nordax Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, together with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the Swedish Financial Accounting Standards Council's recommendation RFR 1, Supplementary Accounting Regulations for Groups, and the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2008:25.

The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act. The Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities has also been applied.

### Changed accounting policies that have applied as of 2022

During the period, no accounting standards were added, which have been published but not yet applied, with any significant effect on the Group's financial reports or on capital adequacy and large exposures. For the Group, fair value hedging has been expanded and from 2022 is also applied for changes in currency regarding lending to the public.

The report has otherwise been prepared in accordance with the same accounting principles and calculation methods that were applied in the annual report for 2021.

## Note 3 Creditrisk

GROUP	Q3	Q2	Q3	JAN-SEP	JAN-SEP
All amounts are in MSEK	2022	2022	2021	2022	2021
Credit losses, net - lending to the general public					
Stage 1	-37	-58	-1	-93	-40
Stage 2	-67	-49	15	-128	111
Stage 3	-388	-358	-64	-1,346	-183
Total credit losses, net	-492	-465	-21	-1,567	-112

## Note 4 Lending to the general public

### GROUP

30 September 2022	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	24,348	8,527	18,090	17,318	1,638	5,542	75,463	-806	1%
Stage 2	1,500	38	1,269	1,161	119	193	4,280	-585	14%
Stage 3	2,561	3	4,415	3,231	338	402	10,950	-4,777	44%
Total	28,409	8,568	23,774	21,710	2,095	6,137	90,693	-6,168	7%
Reserve	-1,812	-24	-2,026	-1,648	-326	-332	-6,168		
Total	26,597	8,544	21,748	20,062	1,769	5,805	84,525		

### GROUP

31 December 2021	Sweden	SHP	Norway	Finland	Germany and Spain	Denmark	TOTAL	Allocation of provision past due receivables	
Stage 1	19,273	7,612	16,615	12,853	4,466	508	61,327	-686	1%
Stage 2	1,278	18	1,103	1,266	134	30	3,829	-444	12%
Stage 3	3,031	3	4,604	4,638	452	242	12,970	-5,605	43%
Total	23,582	7,633	22,322	18,757	5,052	780	78,126	-6,735	9%
Reserve	-1,851	-8	-1,987	-2,237	-446	-206	-6,735		
Total	21,731	7,625	20,335	16,520	4,606	574	71,391		

The acquisition of Bank Norwegian included Stage 3 lending of MSEK 7,903 gross and MSEK 4,912 net. The lending acquired has reduced, but as a result of a strengthening in NOK since the acquisition, the Stage 3 lending acquired amounts to MSEK 8,018 gross and MSEK 4,966 net as of 31 December 2021. As of 30 September 2022 the lending acquired in Stage 3 has decreased, partly due to sales of NPL portfolios, and amounts to gross MSEK 3,695 and net MSEK 2,113. These have been reported gross in the table above.

No lending to the general public in the Parent Company

## Note 5 Capital adequacy analysis

---

The information in this section is disclosed in accordance with Chapter 8, Section 4 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding annual reports at credit institutions and securities companies (FFFS 2008:25), information in Article 447 of Regulation (EU) No 575/2013 and Article 473a Section 2 (information that is required in accordance with EBA/GL/2018/01) as well as Chapter 8, Section 1 of the Swedish Financial Supervisory Authority's regulations and general guidelines regarding prudential requirements and capital buffers (FFFS 2014:12). The liquidity and funding information is disclosed in accordance with Chapter 5, Section 2 of the Swedish Financial Supervisory Authority's regulations regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7).

### Combined buffer requirement

Nordax's combined buffer requirement consist of the capital conservation buffer requirement and the countercyclical capital buffer requirement. A systemic risk buffer requirement has been added as of November 2021 due to the acquisition of Bank Norwegian. The capital conservation buffer requirement is 2.5%. The countercyclical capital buffer requirement is calculated based on the specific geographical requirement where Nordax holds any credit exposure. During the third quarter, the requirements in Finland, Spain and Germany is 0%, in Sweden and Denmark 1% while the requirement in Norway is 1.5%. The systemic risk buffer requirement is 3 % of Bank Norwegian's REA.

### Information about the corporate structure

The parent company in the consolidated situation is Nordax Holding AB (publ). The following companies are included in the consolidated situation when calculating capital requirements: Nordax Holding AB (publ), Nordax Group AB, Nordax Bank AB (publ), Nordax Sverige AB, Nordax Sverige 4 AB (publ), Nordax Sverige 5 AB (publ), Nordax Sweden Mortgage 1 AB (publ), Nordax Nordic 2 AB, Nordax Nordic 4 AB (publ), Svensk Hypotekspension AB and its subsidiaries Svensk Hypotekspension Fond 2 AB, Svensk Hypotekspension Fond 3 AB (publ), Svensk Hypotekspension Fond 4 AB (publ) and Svensk Hypotekspension 5 AB (publ), as well as Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd.

In November 2021, Nordax Bank AB acquired Bank Norwegian ASA. As a result, Bank Norwegian ASA and its subsidiary Lilienthal Finance Ltd is included in the consolidated situation. The acquisition was funded by new share issuance in Nordax Holding AB (publ) amounting to SEK 9.7 billion, new issuance of Additional Tier 1 capital of SEK 1.4 billion, new issuance of Tier 2 capital of 650 MSEK, which of both was issued to external investors. The correspondent instruments and amounts was then downstream to Nordax Group AB as well as Nordax Bank AB. The acquisition was also funded via a non-cash issuance of Bank Norwegian's shares amounting to SEK 4.4 billion, unconditional shareholder contribution of SEK 1.0 billion and a conditional shareholder contribution of SEK 8.4 billion. In addition to the above, part of Bank Norwegian's AT1 capital and T2 capital as well as Nordax Banks T2 capital are also included in the consolidated situation's own funds, after deductions of third party-interests. For the third quarter, the included amounts from Bank Norwegian are MSEK 88 AT1 and MSEK 404 T2 while the amount of T2 capital included from Nordax Bank is MSEK 122.

All amounts are in MSEK	CONSOLIDATED SITUATION	
	30 Sep 2022	31 Dec 2021
<b>OWN FUNDS</b>		
Common Equity Tier 1 (CET1) capital before deduction of regulatory adjustments	22,778	22,409
Total deduction of regulatory adjustment to CET1 capital	-12,508	-12,573
Common Equity Tier 1 (CET1) capital after deduction of regulatory adjustments	10,270	9,836
Additional Tier 1 capital <sup>4</sup>	1,421	1,545
Sum Tier 1 Capital	11,691	11,381
Tier 2 Capital <sup>3</sup>	1,136	1,261
Total capital	12,827	12,642
Risk exposure amount, credit risk	61,537	54,965
Risk exposure amount, market risk	243	0
Risk exposure amount, operational risk	5,526	5,526
Risk exposure amount, credit value adjustment (CVA)	179	200
Total risk exposure amount (risk weighted assets)	67,485	60,691
<b>Capital ratios and buffers</b>		
Common Equity Tier 1 capital ratio	15.22%	16.21%
Tier 1 capital ratio	17.32%	18.75%
Total capital ratio	19.01%	20.83%
Total Common Equity Tier 1 capital requirement including buffer requirement	9.64%	9.22%
- of which, capital conservation buffer requirement	2.50%	2.50%
- of which, countercyclical capital buffers	0.85%	0.31%
- of which systemic risk buffer	1.79%	1.91%
Common Equity Tier 1 capital available as buffer <sup>1</sup>	8.22%	9.21%
<b>Specification own funds</b>		
Common Equity Tier 1 capital:		
Capital instruments and related share premium	20,920	20,920
- of which share capital	2	2
- of which other contributed capital	20,917	20,918
- of which other funds	-	-
Retained earnings	397	612
Accumulated other comprehensive income	-	-
Deferred tax liabilities attributable to other intangible assets	566	593
Other transition adj. of common equity Tier 1 capital <sup>5</sup>	174	275
Minority interest	-	-
Independently audited interim results after deductions of foreseeable dividends	722	9
Common Equity Tier 1 capital before regulatory adj.	22,778	22,409
<b>Regulatory adjustments:</b>		
(-)Intangible assets	-12,313	-12,550
Additional value adjustments	-195	-23
Total regulatory adjustment to Common Equity Tier 1 capital	-12,508	-12,573
Common Equity Tier 1 capital	10,270	9,836
Additional Tier 1 capital		
-AT1 capital instrument, directly issued	1,333	1,332
-AT1 capital instrument, issued by subsidiaries that are given recognition in AT1 Capital	88	213
Tier 1 capital, total	11,691	11,381
<b>Tier 2 capital instrument</b>		
Tier 2 capital instrument, directly issued	610	634
Tier 2 capital instrument, issued by subsidiaries that are given recognition in T2 Capital	526	627
Total capital	12,827	12,642
Total risk exposure amount	67,485	60,691
<b>Specification of risk exposure amount<sup>2</sup></b>		
Exposures to national governments and central banks	32	187
Exposures to regional governments and local authorities	244	1,159
Exposures to institutions	570	972
Exposures in the form of covered bonds	676	1,191
Retail exposures	47,389	38,205
Exposures secured by mortgages on immovable property	5,234	4,479
Equity exposures	177	154
Exposures in default	6,786	8,310
Exposures to corporates	-	-
Other items	430	507
Total risk exposure amount for credit risk, Standardized Approach	61,537	54,964

All amounts are in MSEK	CONSOLIDATED SITUATION	
	30 Sep 2022	31 Dec 2021
Foreign exchange risk	243	0
Total risk exposure amount for foreign exchange risk	243	0
Operational risk according to Alternative Standardized Approach	5,526	5,526
Total risk exposure amount for operational risks	5,526	5,526
Credit valuation adjustment risk (CVA)	179	200
Total risk exposure amount for credit valuation adjustment risk	179	200
Total risk exposure amount	67,485	60,691
Specification Own funds requirement <sup>2</sup>		
Credit risk		
Exposures to national governments and central banks	3	15
Exposures to regional governments and local authorities	20	93
Exposures to institutions	46	78
Exposures in the form of covered bonds	54	95
Retail exposures	3,791	3,057
Exposures secured by mortgages on immovable property	419	357
Equity exposures	14	12
Exposures in default	543	665
Exposures to corporates	-	0
Other items	34	41
Total capital requirement for creditrisk	4,923	4,397
Market risk		
Foreign exchange risk	19	0
Total risk exposure amount for market risk	19	0
Operational risk		
Operational risk according to Alternative standardized Approach	442	442
Total risk exposure amount for operational risk	442	442
Credit valuation adjustment risk (CVA)		
Credit valuation adjustment risk (CVA)	14	16
Total capital requirement for CVA risk	14	16
Total Capital Requirement	5,399	4,855
Capital Requirement, percent of REA		
Pillar 1	8.00%	8.00%
Pillar 2	3.93%	4.76%
Capital conservation buffer	2.50%	2.50%
Institution-specific countercyclical buffer	0.85%	0.31%
Systemic risk buffer - Norway	1.79%	1.91%
Total Capital Requirement	17.07%	17.48%
Capital Requirement, MSEK		
Pillar 1	5,399	4,855
Pillar 2	2,655	2,892
Capital conservation buffer	1,687	1,517
Institution-specific countercyclical buffer	574	185
Systemic risk buffer - Norway	1,208	1,159
Capital Requirement	11,522	10,608
LEVERAGE RATIO		
Total exposure measure for calculating leverage ratio, MSEK	109,848	105,585
Tier 1 capital, MSEK	11,691	11,381
Leverage ratio	10.64%	10.78%
Overall leverage ratio requirements, MSEK	3,295	3,168
Overall leverage ratio requirements, percentage	3%	3%

<sup>1</sup>Available CET1 capital less CET1 capital used to fulfill the requirements under Pillar 1 and the capital conservation buffer requirement as a percentage of REA.

<sup>2</sup>The capital requirement amounts to 8% of the risk exposure amount in accordance with Regulation (EU) No 575/2013.

<sup>3</sup>The amount of capital instruments issued on solo-level by Nordax Bank and Bank Norwegian may only be included in the consolidated situation's own funds to cover each bank's capital requirements. As of 30 September 2022, the amount of T2 capital eligible to include from Nordax Bank was MSEK 122 and from Bank Norwegian MSEK 404. In October and November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Tier 2 capital with a value of MSEK 650.

<sup>4</sup>In November 2021, Nordax Bank AB, Nordax Group AB and Nordax Holding AB issued Additional Tier 1 capital instrument amounting MSEK 1,400. Bank Norwegian's Additional Tier 1 capital instrument issued on solo-level was included in the consolidated situation's AT1 capital by MSEK 88.

<sup>5</sup>Nordax Bank AB and its consolidated situation applies the transitional arrangements in accordance with article 473a of Regulation (EU) no. 575/2013 with application of paragraphs 2 and 4. Template "Final report on the guidelines on uniform disclosure of IFRS 9 transitional arrangements", EBA/GL/2018/01.

CONSOLIDATED SITUATION		a	b	c	d	e
All amounts are in MSEK		20220930	20220630	20220331	20211231	20210930
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	10,270	9,844	9,659	9,836	3,671
2	Tier 1 capital	11,691	11,262	11,276	11,381	3,671
3	Total capital	12,827	12,397	12,536	12,642	3,894
Risk-weighted exposure amounts						
4	Total risk exposure amounts	67,485	65,162	63,161	60,691	23,535
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15,22%	15,11%	15,29%	16,21%	15,60%
6	Tier 1 ratio (%)	17,32%	17,28%	17,85%	18,75%	15,60%
7	Total capital ratio (%)	19,01%	19,03%	19,85%	20,83%	16,55%
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 (%)	3,46%	3,46%	3,56%	3,69%	-
EU 7b	of which: to be made up of CET1 capital (%)	2,35%	2,35%	3,56%	3,69%	-
EU 7c	of which: to be made up of Tier 1 capital (%)	2,59%	2,59%	-	-	-
EU 7d	Total SREP own funds requirements (%)	11,46%	11,46%	11,56%	11,69%	8%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
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 (%)	0,85%	0,42%	0,30%	0,31%	0,21%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	1,79%	1,79%	1,84%	1,91%	-
11	Combined buffer requirement (%)	5,14%	4,71%	4,64%	4,72%	2,71%
EU 11a	Overall capital requirements (%)	17,07%	16,75%	16,66%	17,48%	10,71%
12	CET1 available after meeting the total SREP own funds requirements (%)	8,37%	8,26%	7,23%	8,02%	8,55%
Leverage ratio						
13	Leverage ratio total exposure measure (amounts)	109,848	109,165	109,173	105,585	41,965
14	Leverage ratio (%)	10,64%	10,32%	10,33%	10,78%	8,75%
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 (%)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	-	-	-	-	-
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	3,00%	3,00%	3,00%	3,00%	3,00%
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%	3,00%	3,00%
Liquidity Coverage Ratio <sup>1</sup>						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,060	7,830	7,236	6,008	4,729
EU 16a	Cash outflows - Total weighted value	9,451	7,622	5,738	3,857	2,653
EU 16b	Cash inflows - Total weighted value	4,514	4,029	3,461	3,154	2,820
16	Total net cash outflows (adjusted value)	4,937	3,593	2,277	964	663
17	Liquidity coverage ratio (%)	163,26%	217,94%	317,73%	623,03%	713,04%
Net Stable Funding Ratio						
18	Total available stable funding	104,763	104,949	105,445	102,580	42,216
19	Total required stable funding	85,342	81,800	79,357	76,258	33,262
20	NSFR ratio (%)	122,76%	128,30%	132,87%	134,52%	127%

<sup>1</sup> Expressed as simple averages of the observations at the end of the month during the twelve months before the end of each quarter.

The tabel below presents information in accordance with Regulation EU No 575/2013 Article 473a paragraph 6 and the disclosure requirement in Part 8 of the same Regulation.

Template IFRS 9-FL: Comparison of own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs.

All amounts are in MSEK		T	T-1	T-2	T-3	T-4
		20220930	20220630	20220331	20211231	20210930
1	Common Equity Tier 1 (CET1) capital	10,270	9,844	9,659	9,837	3,671
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,096	9,706	9,522	9,562	3,456
3	Tier 1 capital	11,691	11,262	11,276	11,382	3,671
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	11,517	11,124	11,139	11,107	3,456
5	Total capital	12,827	12,397	12,536	12,643	3,894
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12,653	12,260	12,398	12,368	3,679
<b>Risk-weighted assets (amounts)</b>						
7	Total risk-weighted assets	67,485	65,162	63,161	60,690	23,535
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	67,311	65,025	63,023	60,416	23,320
<b>Capital ratios</b>						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	15,22%	15.11%	15.29%	16.21%	15.60%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15,00%	14.93%	15.11%	15.83%	14.82%
11	Tier 1 (as a percentage of risk exposure amount)	17,32%	17.28%	17.85%	18.75%	15.60%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17,11%	17.11%	17.67%	18.38%	14.82%
13	Total capital (as a percentage of risk exposure amount)	19,01%	19.03%	19.85%	20.83%	16.55%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18,80%	18.85%	19.67%	20.47%	15.78%
<b>Leverage ratio</b>						
15	Leverage ratio total exposure measure	109,848	109,165	109,173	105,310	41,964
16	Leverage ratio	10,64%	10.32%	10.33%	10.81%	8.75%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10,48%	10.19%	10.20%	10.55%	8.23%

### Internally assessed capital requirement

As of 30 September 2022, the internally assessed capital requirement in the consolidated situation amounts to MSEK 2,655 (MSEK 2,629 as of 30 June 2022). Capital requirements according to pillar 2 are assessed using internal models for economic capital. Where applicable, methods established by the Financial Supervisory Authority are used. The total capital requirement, including combined buffer requirement, for the period amounts to MSEK 11,522 (MSEK 10,913 as of 30 June 2022).

Bank Norwegian has through the Norwegian Financial Supervisory Authority's (Finanstilsynet) SREP process received a Pillar 2 requirement of 5.8% and a recommended CET1 margin of 1%, of Bank Norwegian's total risk-weighted exposure amount. This exceeds the internally assessed capital requirements. Nordax includes Finanstilsynet's Pillar 2 requirement (5.8%) in the consolidated situation's total Pillar 2 requirement through the aggregation method.

Bank Norwegian's Pillar 2 requirements was previously considered to be covered by CET1 capital, in accordance with Finanstilsynet's requirement on Bank Norwegian at solo level. In the consolidated situation's ICLAAP process in Q2 the assessment of type of capital was revaluated resulting in a change in type of capital needed to cover Bank Norwegian's Pillar 2 capital requirements.

The requirement is covered in accordance with the same principle as the Swedish Financial Supervisory Authority's (Finansinspektionen) requirements. The result of this revaluation is that risks that are also evaluated in Pillar 1 must be covered by 75% CET1 capital and the remaining part may be covered by T2 capital. For risks that arises only in Pillar 2 the capital requirements must be covered by 75% of T1 capital, of which 56,26% must be covered by CET1 capital. The remaining part may be covered by T2 capital.

Bank Norwegian's recommended CET1 margin, 1% of Bank Norwegian's total risk-weighted exposure amount, is not included in the consolidated situation's capital requirement, instead the CET1 margin is indirectly included in Nordax's combined board and management limit (1.5%). Nordax has not been subject to a SREP process by Finansinspektionen.

### Leverage ratio

As of 28 June 2021 the capital requirement regulation (CRR) introduced a minimum leverage ratio requirement of 3.0 %. The consolidated situation's leverage ratio for the period is 10.64% (10.32% as of 30 June 2022), which is well above the requirement of 3%.

### Information about funding and liquidity risk

Nordax defines liquidity risk as the risk of failing to fulfil payment obligations at maturity without a significant increase in the cost of obtaining means of payment. Nordax uses asset-backed financing, where portions of the asset portfolios are pledged as collateral for funding. The long-term strategy is to match the maturity of the assets with the maturity of the liabilities. The strategy is to achieve a diversified funding platform consisting of equity, subordinated liabilities, asset-backed securities ("ABS"), credit facilities from banks, deposits from the general public and corporate bonds.

Nordax's funding strategy is to use funding sources that meet the following criteria:

- Provide a high level of matching, both currency and fixed-interest period, as well as the maturity of assets and liabilities.
- Offer diversification in terms of markets, investors, instruments, maturity, currency and counterparties, as well as geographically.
- Provide a low liquidity risk with a high capacity to refinance at maturity, as indicated by price stability, regular issue frequency and broad investor base.
- Provide access to relatively large volumes in order to satisfy the need of funding a growing balance sheet.

Nordax has an independent liquidity risk control function. The function reports directly to the Board of Directors and the CEO. The liquidity risk is reported at each Board meeting. The cash flows are calculated from expected maturity of all assets, liabilities and off-balance-sheet items. Key figures from the balance sheet (such as cash ratio, loan to deposit ratio, liquidity coverage ratio, net stable funding ratio and deposit usage) are calculated and monitored over time to highlight the financial structure and the liquidity risk. The liquidity risk is measured monthly with different scenarios and events (such as poorer advance rates and changed cash flows) and is highlighted on an individual basis and in combination.

The contingency funding plan contains clear responsibility and instructions of how to address a liquidity crisis. The plan specifies appropriate measures for handling the consequences of different types of crisis situations and contains definitions of events that trigger and escalate the contingency plan. The contingency funding plan has been tested and updated.

As of 30 September 2022, Nordax consolidated situation's Liquidity Coverage Ratio (LCR) is 135.0%<sup>1</sup> (140.4%<sup>1</sup> as of 30 June 2022). The Net Stable Funding Ratio (NSFR) is 122.8% (128.3% as of 30 June 2022), calculated in accordance with the definition in Regulation (EU) No 575/2013.

The consolidated situation's liquidity reserve as of September 30, 2022 amounts to SEK 18.7 billion (SEK 23.3 billion as of June 30, 2022). Of these investments, 36.1% (33.8% as of June 30, 2022) are invested in covered bonds, 8.4% (15.8% as of June 30, 2022) in Nordic credit institutions. The remaining part is invested in central banks and interest-bearing securities issued by central governments, municipalities, and supra nationals. The credit ratings of the investments are between AAA and A+. The average maturity of the liquidity reserve is 412 days (421 as of 30 June 2022).

As of 30 September 2022, Nordax's funding sources consists of MSEK 2,250 (2,250 as of 30 June 2022) asset-backed securities, MSEK 7,613 (8,576 as of 30 June 2022) corporate bonds, MSEK 7,872 (7,792 as of 30 June 2022) collateral funding from international banks and MSEK 71,985 (70,553 as of 30 June 2022) in deposits from the general public.

<sup>1</sup>When calculating the consolidated situation's LCR, Nordax only includes the liquidity buffer required to cover Bank Norwegian's net outflow, as Nordax does not consider the liquidity in excess of 100% of Bank Norwegian's net outflow can be freely used by the consolidated situation. If Bank Norwegian's excess liquidity includes in the consolidated situation, the LCR would be 224.9% (352.4% as of 30 June 2022).

## Note 6 Classification of financial assets and liabilities

### GROUP

30 September 2022	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	TOTAL
<b>Assets</b>					
Lending to central banks	-	3,529	-	-	3,529
Lending to credit institutions	-	1,991	-	-	1,991
Lending to the general public	-	84,525	-	-	84,525
Bonds and other fixed-income securities	13,627	-	-	-	13,627
Other shares	27	-	-	150	177
Derivatives	754	-	-	91	845
Other assets	-	191	-	-	191
<b>Total assets</b>	<b>14,408</b>	<b>90,236</b>	<b>-</b>	<b>241</b>	<b>104,885</b>
<b>Liabilities</b>					
Liabilities to credit institutions	-	-	7,872	-	7,872
Deposits from the general public	-	-	71,985	-	71,985
Issued securities	-	-	9,863	-	9,863
Subordinated liabilities	-	-	1,507	-	1,507
Derivatives	520	-	-	-	520
Other liabilities	-	-	329	-	329
<b>Total liabilities</b>	<b>520</b>	<b>-</b>	<b>91,556</b>	<b>-</b>	<b>92,076</b>

### GROUP

31 December 2021	Fair value through profit and loss	Financial assets valued at amortized cost	Financial liabilities valued at amortized cost	Financial assets at fair value via other comprehensive income	SUMMA
<b>Assets</b>					
Lending to central banks	-	1,924	-	-	1,924
Lending to credit institutions	-	3,258	-	-	3,258
Lending to the general public	-	71,391	-	-	71,391
Bonds and other fixed-income securities	23,318	-	-	-	23,318
Other shares	-	-	-	154	154
Derivatives	140	-	-	-	140
Other assets	-	2	-	-	2
<b>Total assets</b>	<b>23,458</b>	<b>76,575</b>	<b>-</b>	<b>154</b>	<b>100,187</b>
<b>Liabilities</b>					
Liabilities to credit institutions	-	-	6,609	-	6,609
Deposits from the general public	-	-	67,424	-	67,424
Issued securities	-	-	10,866	-	10,866
Subordinated liabilities	-	-	1,721	-	1,721
Derivatives	437	-	-	-	437
Other liabilities	-	-	128	-	128
<b>Total liabilities</b>	<b>437</b>	<b>-</b>	<b>86,748</b>	<b>-</b>	<b>87,185</b>

## Note 7 Fair value of financial assets and liabilities

### GROUP

30 September 2022	Carrying amount	Fair value	Delta
<b>Assets</b>			
Lending to central banks <sup>1</sup>	3,529	3,529	-
Lending to credit institutions <sup>1</sup>	1,991	1,991	-
Lending to the general public <sup>2</sup>	84,525	88,478	3,953
Bonds and other fixed-income securities	13,627	13,627	-
Other shares	177	177	-
Derivatives	845	845	-
Other assets	191	191	-
<b>Total assets</b>	<b>104,885</b>	<b>108,838</b>	<b>3,953</b>
<b>Liabilities</b>			
Liabilities to credit institutions <sup>1</sup>	7,872	7,872	-
Deposits from general public <sup>1</sup>	71,985	71,985	-
Issued securities <sup>3</sup>	9,863	9,742	-121
Derivatives	520	520	-
Other liabilities	329	329	-
Subordinated liabilities <sup>3</sup>	1,507	1,497	-10
<b>Total liabilities</b>	<b>92,076</b>	<b>91,945</b>	<b>-131</b>

### GROUP

31 December 2021	Carrying amount	Fair value	Delta
<b>Assets</b>			
Lending to central banks <sup>1</sup>	1,924	1,924	-
Lending to credit institutions <sup>1</sup>	3,258	3,258	-
Lending to the general public <sup>2</sup>	71,391	74,375	2,984
Bonds and other fixed-income securities	23,318	23,318	-
Other shares	154	154	-
Derivatives	140	140	-
<b>Total assets</b>	<b>100,185</b>	<b>103,169</b>	<b>2,984</b>
<b>Liabilities</b>			
Liabilities to credit institutions <sup>1</sup>	6,609	6,609	-
Deposits from general public <sup>1</sup>	67,424	67,424	-
Issued securities <sup>3</sup>	10,866	10,947	81
Derivatives	437	437	-
Subordinated liabilities <sup>3</sup>	1,721	1,756	35
<b>Total liabilities</b>	<b>87,057</b>	<b>87,173</b>	<b>116</b>

<sup>1</sup> Fair value is deemed to be the same as the carrying amount, as these are of a short-term nature.

<sup>2</sup> The measurement includes significant observable and non-observable inputs.

<sup>3</sup> Fair value data for issued securities and debenture loans are based directly or indirectly on quoted prices.

## Calculation of fair value

Valuation technique for measuring fair value – level 1.

The fair value of financial instruments traded in an active market (e.g. financial assets held for trading and available-for-sale financial assets) is based on quoted market prices on the balance sheet date. A market is considered active if quoted prices from a stock exchange, broker, industry group, pricing service or monitoring authority are readily and regularly available and these prices represent real and regularly occurring arm's length market transactions. The quoted market price used for the Group's financial assets is the current purchase price.

Valuation techniques for measuring fair value – level 2.

- The value of lending to the general public has been measured based on observable market data by discounting the expected future cash flows of the assets to present value using a discount factor. The expected future cash flows have been based on the size of the portfolio at the end of the balance sheet date and an expected future cash flow on the maximum maturity of the portfolio.
- Fair value for bonds are measured, as in level 1, from market prices, with the difference that the prices are not considered from an active market. The market-price derived in this case from buy and sell position prices, but regular trading does not take place in the bond. If market prices are missing, the value is calculated by discounting expected cash flows. For discounting, the current market interest rate on securities issued by similar issuers.

- The fair value of currency futures contracts is measured as the present value of future cash flows based on currency futures rates at the balance sheet date.

Fair value measurement using material, unobservable inputs – level 3.

Nordax has a holding of unlisted shares in Stabelo AB that is valued at fair value based on unobservable inputs. As of 30 September 2022 the value has been determined based on the issue price at the latest new issue which was in May 2022. Nordax subscribed for its pro rata share in the new issue, the value of which has been determined based on the issue price at the latest new issue. In addition to Stabelo, there are further unlisted shares that were included in the acquisition of Bank Norwegian.

The table below shows the changes that have occurred in relation to level 3 instruments:

Unlisted shares	MSEK
Opening balance 1 January 2021	127
Transfers from level 2	-
Acquisitions	27
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	-
Closing balance 31 December 2021	154
Acquisitions	19
Currency change	0
Sales	-
Losses (-) recognized in other comprehensive income	-
Profits (+) recognized in other comprehensive income	4
Closing balance 30 September 2022	177

## GROUP

30 September 2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Bonds and other fixed-income securities <sup>1</sup>	10,070	3,557	-	13,627
Other shares	-	-	177	177
Derivatives	-	845	-	845
<b>Total assets</b>	<b>10,070</b>	<b>4,402</b>	<b>177</b>	<b>14,649</b>
<b>Liabilities</b>				
Derivatives	-	520	-	520
<b>Total liabilities</b>	<b>-</b>	<b>520</b>	<b>-</b>	<b>520</b>

## GROUP

31 December 2021	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Bonds and other fixed-income securities	1,716	21,602	-	23,318
Other shares	-	-	154	154
Derivatives	-	140	-	140
<b>Total assets</b>	<b>1,716</b>	<b>21,742</b>	<b>154</b>	<b>23,612</b>
<b>Liabilities</b>				
Derivatives	-	437	-	437
<b>Total liabilities</b>	<b>-</b>	<b>437</b>	<b>-</b>	<b>437</b>

<sup>1</sup> During Q2, a thorough review has been made of what is considered an active market.

## Note 8 Operating segments

Segment information is presented based on the chief operating decision-maker's perspective, and the segments are identified based on the internal reporting to the CEO, who is identified as the chief operating decision-maker. Profit/loss that cannot be attributed to a single segment is allocated using a distribution matrix according to internal principles that management believes to provide a fair allocation to the segments. The chief operating decision-maker

mainly follows the income concept of operating income. The business models of both Nordax and Bank Norwegian are to conduct cross-border banking activities in Sweden, Norway, Denmark, Finland and Germany. During the year, Bank Norwegian has also begun cross-border activities in Spain. Activities are also conducted in the form of SHP's lending of equity release mortgages.

Q3 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
<b>Income statement</b>							
Interest income	554	110	608	520	40	168	2,000
Interest expenses	-122	-39	-96	-40	-5	-7	-309
Total net interest income	432	71	512	480	35	161	1,691
Commission income	35	0	59	19	0	7	120
Net profit from financial transactions <sup>1</sup>	-8	-1	-21	-10	0	-4	-50
Total operating income	459	70	550	489	35	164	1,761
General administrative expenses	-143	-8	-209	-63	-18	-21	-462
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-14	-1	-28	-14	-1	-13	-71
Other operating expenses	-36	-9	-52	-47	-18	-16	-178
Total operating expenses	-193	-18	-289	-124	-37	-50	-711
Profit before credit losses	266	52	261	365	-2	114	1,050
Net credit losses	-199	-5	-85	-104	-68	-31	-493
Operating profit	66	47	176	261	-70	83	557
<b>Balance sheet</b>							
Lending to the general public	26,597	8,544	21,748	20,062	1,769	5,805	84,525

<sup>1</sup>FX effects amount to -6 MSEK for Q3 2022 (2 MSEK) and is not allocated to segments.

Q2 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
<b>Income statement</b>							
Interest income	510	90	600	469	39	147	1,855
Interest expenses	-88	-30	-92	-34	-4	-10	-258
Total net interest income	422	60	508	435	35	137	1,597
Commission income	43	0	46	13	-1	7	108
Net profit from financial transactions <sup>1</sup>	-16	1	-36	-4	0	-5	-60
Total operating income	449	61	518	444	34	139	1,645
General administrative expenses	-168	-7	-195	-82	-17	-20	-489
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-15	-1	-26	-14	-1	-13	-70
Other operating expenses	-46	-8	-61	-58	-63	-35	-271
Total operating expenses	-229	-16	-282	-154	-81	-68	-830
Profit before credit losses	220	45	236	290	-47	71	815
Net credit losses	-199	-9	-196	18	-40	-39	-465
Operating profit	21	36	40	308	-87	32	349
<b>Balance sheet</b>							
Lending to the general public	24,440	8,226	21,315	18,456	1,476	5,472	79,386

Q3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
<b>Income statement</b>							
Interest income	234	79	125	83	12	0	533
Interest expenses	-41	-26	-22	-9	-1	0	-99
Total net interest income	193	53	103	74	11	0	434
Commission income	11	0	5	5	0	0	21
Net profit from financial transactions <sup>1</sup>	1	-1	-3	0	0	0	-1
Total operating income	205	52	105	79	11	0	454
General administrative expenses	-91	-6	-45	-26	-3	0	-171
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-11	-1	-1	-1	0	0	-14
Other operating expenses	-18	-7	-11	-2	0	0	-38
Total operating expenses	-120	-14	-57	-29	-3	0	-223
Profit before credit losses	86	38	48	50	8	0	231
Net credit losses	-57	-1	16	-6	-3	1	-50
Operating profit	29	37	64	44	5	1	181
<b>Balance sheet</b>							
Lending to the general public	13,662	7,300	6,340	4,620	500	14	32,436

  

Q1-3 2022	Sweden	SHP	Norway	Finland	Germany/ Spain	Denmark	TOTAL
<b>Income statement</b>							
Interest income	1,558	283	1,826	1,481	86	451	5,685
Interest expenses	-287	-96	-273	-108	-12	-24	-800
Total net interest income	1,271	187	1,553	1,373	74	427	4,885
Commission income	105	0	132	43	-1	18	297
Net profit from financial transactions <sup>1</sup>	-33	0	-75	-20	0	-11	-220
Total operating income	1,343	187	1,610	1,396	73	434	4,962
General administrative expenses	-452	-23	-559	-210	-48	-61	-1,353
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	-45	-3	-80	-42	-3	-39	-212
Other operating expenses	-121	-30	-173	-159	-118	-80	-681
Total operating expenses	-618	-56	-812	-411	-169	-180	-2,246
Profit before credit losses	725	131	798	985	-96	254	2,716
Net credit losses	-575	-16	-401	-373	-122	-80	-1,567
Operating profit	150	115	397	613	-218	174	1,149
<b>Balance sheet</b>							
Lending to the general public	26,597	8,544	21,748	20,062	1,769	5,805	84,525

<sup>1</sup>FX effects amount to -82 MSEK for Q1 - Q3 2022 (2 MSEK) and is not allocated to segments.

Q1-3 2021	Sweden	SHP	Norway	Finland	Germany	Denmark	TOTAL
<b>Income statement</b>							
Interest income	662	226	381	247	38	1	1,555
Interest expenses	-119	-76	-65	-26	-3	0	-289
Total net interest income	543	150	316	221	35	1	1,266
Commission income	29	0	15	15	0	0	59
Net profit from financial transactions <sup>1</sup>	-3	1	4	2	0	0	6
Total operating income	569	151	335	238	35	1	1,331
General administrative expenses	-264	-23	-136	-79	-10	0	-511
Depreciation, amortization and impairment of property, plant and equipment and intangible assets <sup>2</sup>	-34	-2	-5	-3	0	0	-44
Other operating expenses	-55	-26	-35	-5	0	0	-121
Total operating expenses	-353	-51	-176	-87	-10	0	-676
Profit before credit losses	218	100	159	152	25	1	655
Net credit losses	-168	-5	89	-31	-1	4	-112
Operating profit	49	95	248	121	24	5	543
<b>Balance sheet</b>							
Lending to the general public	13,662	7,300	6,340	4,620	500	14	32,436

## Note 9 Pledged assets, contingent liabilities and commitments

All amounts are in MSEK	GROUP	
	2022-09-30	2021-12-31
<b>Pledged assets for own liabilities</b>		
Lending to the general public	11,089	10,007
Lending to credit institutions	415	412
Cash collateral for derivatives	191	309
<b>Total</b>	<b>11,695</b>	<b>10,728</b>

All amounts are in MSEK	GROUP	
	2022-09-30	2021-12-31
<b>Other commitments</b>		
Granted but unpaid loans	192	215
Granted but unutilized card credits	48,520	47,721
<b>Total</b>	<b>48,712</b>	<b>47,936</b>

All pledged assets are for the Group's asset related funding operations; securitisation and funding with collateral with international banks and derivative contracts.

## Note 10 Transactions with related parties

All amounts are in MSEK	ASSETS		LIABILITIES		INCOME		COSTS	
	22-09-30	21-12-31	22-09-30	21-12-31	22-09-30	21-12-31	22-09-30	21-12-31
Nordax Bank AB	205	205	-5	-4	-	0	-	-
Nordax Group AB	73	8	-1	-1	3	4	-	0
Svensk Hypotekspension AB	-	1	-	-	-	0	-	-
<b>Total</b>	<b>278</b>	<b>214</b>	<b>-6</b>	<b>-5</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>0</b>

Transactions between parent company and subsidiary are priced at market conditions and is reported in Nordax Bank Group's financial reports.

## Note 11 Important events after the balance sheet date

---

### Subsequent events

In October, Nordax through its subsidiary Nordax Sweden Mortgages 1 AB (publ), signed a new bilateral secured financing vehicle with a frame of SEK 2.3 billion with an international Bank.

As previously announced, Nordax Bank AB (publ) and Bank Norwegian ASA are in the process of implementing an intragroup merger between the companies. During Q4 2022, the Norwegian Financial Supervisory Authority (the "NFSA") and the Swedish Financial Supervisory Authority (the "SFSA") approved the merger. All necessary regulatory approvals to complete the merger have accordingly been obtained. The merger is expected to be completed during Q1 2023 at the latest.

The merger will be implemented with Nordax as the surviving company and Bank Norwegian as the transferring company, with the operations of Bank Norwegian to be continued through a Norwegian newly established branch of Nordax, which has been approved by the NFSA and the SFSA. The merger will not impact the services and products offered by Nordax and Bank Norwegian, and the two respective brands will continue to coexist.

# Definitions

The Group considers the key figures to be relevant to users of the financial report as a complement in assessing the financial performance of the Group.

## Return on equity

Net profit attributable to the shareholders in relation to average shareholders' equity.

## Leverage ratio<sup>1</sup>

Tier 1 capital as a percentage of total assets including off-balance-sheet items with conversion factors defined in Regulation (EU) No 575/2013 (CRR2).

## Average loan portfolio

The average of lending to the general public at the beginning of the period and the end of the period.

## C/I ratio

Operating expenses as a percentage of operating income.

## C/I ratio excl. acquisition costs

Operating expenses, excluding acquisition costs for Bank Norwegian, as a percentage of operating income.

## Credit loss level

Net credit losses as a percentage of average lending to the public.

## Credit loss in % excl. initial effect of acquisitions

Net credit losses, excl. initial ECL effect, as a percentage of the average loan portfolio.

## Common Equity Tier 1 capital<sup>1</sup>

Shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets and certain other regulatory adjustments defined in Regulation (EU) No 575/2013 (CRR2).

## Common Equity Tier 1 capital ratio<sup>1</sup>

Common Equity Tier 1 capital as a percentage of risk exposure amount.

## Liquidity reserve

A separate reserve of high-quality liquid assets that can be used to secure the company's short-term ability to pay for losses or in the event of reduced access to commonly available funding sources.

## Liquidity Coverage Ratio (LCR)<sup>1</sup>

Liquidity Coverage Ratio (LCR)<sup>1</sup> High-quality liquid assets in relation to the estimated net cash outflows over the next 30 calendar days, as defined in Commission Delegated Regulation (EU) 2015/61 and Regulation (EU) No 575/2013.

## Own funds<sup>1</sup>

The sum of Tier 1 and Tier 2 capital.

## Tier 1 capital ratio<sup>1</sup>

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

## Risk exposure amount<sup>1</sup>

Total assets and off balance sheet items, weighted in accordance with capital adequacy regulation for credit and market risks. Operational risks are measured and added as risk exposure amount.

## Net Stable Funding Ratio (NSFR)

Measures and monitors the relationship between available stable funding and required stable funding over a one-year period.

## Tier 1 capital<sup>1</sup>

Common Equity Tier 1 capital plus qualifying forms of subordinated loans.

## Tier 2 capital<sup>1</sup>

Subordinated loans that do not qualify as Tier 1 capital.

## Total capital ratio<sup>1</sup>

Total own funds as a percentage of the risk exposure amount.

## Other Tier 1 capital<sup>1</sup>

Subordinated liabilities that are perpetual and meet certain conditions to be counted as Tier 1 capital when calculating the size of the capital base.

<sup>1</sup> These are reported with respect SFSA's regulations and general recommendations see note 5, capital adequacy analysis.

# Board of Directors' affirmation

The Board of Directors declares that the interim report for January–September 2022 provides a fair overview of the Parent Company's and the Group's operations, financial position and results and describes material risks and uncertainties facing the Parent Company and the Group.

Stockholm November 8, 2022

Hans-Ole Jochumsen  
Chairman

Christopher Ekdahl  
Non-Executive Director

Christian Frick  
Non-Executive Director

Henrik Källén  
Non-Executive Director

Anna Storåkers  
Non-Executive Director

Ville Talasmäki  
Non-Executive Director

Ricard Wennerklint  
Non-Executive Director