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Nasdaq Stockholm AB
556420-8394

Annual Report

for the fiscal year 1/1/2017 – 12/31/2017

The Board of Directors and CEO of Nasdaq Stockholm AB hereby submit the following annual report.

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Registered office of the Board: Stockholm

Company's accounting currency: Swedish kronor (SEK).

All amounts are stated in thousands of Swedish kronor (SEK 000s) unless otherwise indicated.

Administration report

Information about operations

Nasdaq Stockholm AB conducts authorized stock exchange operations under the supervision of the Swedish Financial Supervisory Authority (FI). The company's business concept is to provide trading, market listing and information services, as well as other related services for equity, power and fixed-income products. Through the provision of these services, the company meets the market's needs for capital, market valuations, placement opportunities and risk management.

Products and services

The company's product niche is to provide an efficient, liquid and credible marketplace for issued financial instruments. Equities, premium bonds, convertibles, warrants, bonds, subscription rights and exchange-traded funds (ETFs) are traded on Nasdaq Stockholm AB. The company also offers trading in Swedish, Norwegian, Finnish and Danish stock options, index options, energy derivatives and fixed-income derivatives, as well as stock futures and index futures.

Customers

The company's market is Europe with particular focus on the Nordic region, the United Kingdom and the Baltic countries. Customers can be divided into three groups:

- **Members**

Swedish banks and foreign banks and securities companies, power generation companies and energy brokerage firms trading on their own or their customers' account.

- **Issuers**

Swedish and foreign issuers of equities, fund units, bonds, fixed-income products and warrants.

- **Information distributors**

Swedish and foreign distributors of market information.

Members

The member network has expanded considerably during the last decade, primarily as a consequence of the initiative to recruit remote members. Many operators have memberships for both cash and derivative products. In total, Nasdaq Stockholm had 133 (119) members at December 31, 2017. In 2017, there were 11 new members and 1 membership expired.

Issuers

Nasdaq Stockholm primarily lists equities, warrants and bonds, but also other types of securities. Listing is determined by the Listing Committee, which is a specially appointed committee comprising a number of independent committee members. At December 31, 2017, the total number of companies listed in the primary market amounted to 321 (300).

Information distributors

Nasdaq Stockholm sells trading information to Swedish and foreign information distributors. These, in turn, distribute the information to the end user. Information distributors include companies such as Thomson Reuters, Bloomberg, SIX and Ecovision. A number of members also distribute price information via the Internet to their own online trading services.

Risk management

Risk management Nasdaq Stockholm manages risks attributable to its operating activities. The risks that arise due to the nature of the company's stock market-related operations are limited and mainly comprise operational risks and normal credit risk and counterparty risks. Nasdaq Stockholm has established a comprehensive Enterprise Risk Management (ERM) process that enables all types of risks (with a significant focus on operational risks) to be identified and assessed based on both their probability and potential effect, as well as an action plan for reducing these risks.

Investing activities

The credit risk arising from interest-bearing investments are managed by an investment policy established by the Board of Directors, which stipulates that investments are to be made either in securities issued by external borrowers with a good credit rating, or in short-term investments of limited amounts with credit-worthy banks. Nasdaq Stockholm can also manage investments by retaining cash and cash equivalents in the Group's cash pool structure and short-term internal interest-bearing investments.

Other operations

The credit risk that arises from accounts receivable is minimized at Nasdaq Stockholm through the requirement that any company that will be listed on the stock exchange must meet the criteria in the listing agreement. One of these requirements is that the company provides documentary evidence that it possesses the profitability and financial resources to conduct its business. Other services and products are invoiced in advance on a fixed fee basis and larger variable fees are invoiced monthly in arrears thus minimizing the risk of losses in accounts receivable.

Liquidity risk/financing risk

Nasdaq Stockholm maintains no interest-bearing liabilities and thus assumes no refinancing risks. In addition, the cash flow generated by operations is positive and exceeds investments by a healthy margin. Nasdaq Stockholm has favorable liquidity resources since its regulatory capital is exclusively placed in highly liquid interest-bearing investments that can immediately be converted into cash.

Market risks

Currency risk

Currency exposure at Nasdaq Stockholm primarily arises from market data operations, where most of the revenues are denominated in EUR. The assessment is that the total currency-transaction exposure in the aforementioned flows is relatively limited and manageable, which is why Nasdaq Stockholm has decided not to hedge this particular risk.

Interest-rate risk

Interest-rate risk is primarily linked to investments in regulatory capital and investments made in Swedish bonds. At December 31, 2017, the average duration of these assets was 0.70 years (0.63).

Financial instruments

Nasdaq Stockholm invests in interest-bearing assets. The financial instruments that are thus utilized primarily comprise Swedish government bonds or mortgage bonds and/or Swedish treasury bills.

Significant events during the fiscal year

The 2017 fiscal year was yet another fantastic year for new listings. A total of 96 (75) new companies were listed, of which 26 (21) on the main market and 70 (54) on First North, yielding approximately SEK 21.4 billion (21.0) in capital procured. Equities trading at Nasdaq Stockholm increased 9.3% to an average daily trade of SEK 17.0 billion compared with SEK 15.5 billion in 2016. Trading in exchange-traded funds (ETFs) on Nasdaq Stockholm declined 33.8% to an average daily trading of SEK 272 million compared with SEK 411 million in 2016. Nasdaq Stockholm's share of order-book trading in the company's listed shares increased to 69.1% compared with 63.3% in 2016. The number of derivative contracts traded declined 9.6% to an average of 282,678 (312,777) contracts per day.

In a decision on December 13, 2016, the Swedish Financial Supervisory Authority issued Nasdaq Stockholm AB a remark and decided that the company should pay a fine of SEK 30,000,000, for which there is a corresponding provision. Nasdaq Stockholm AB appealed the Swedish Financial Supervisory Authority's decision on January 2, 2017 to the Administrative Court in Stockholm. See also Note 22.

Earnings trend in 2017

Equity turnover for the full year amounted to SEK 4,265 billion (3,933). A total of 81.2 million (69.1) equity transactions were conducted during the year. The average turnover in equities trading increased to SEK 17.0 billion (15.5) per day. The OMXS30 Index closed at 1,576.9 (1,517.2), up 3.9%. The total market capitalization at December 31 was SEK 6,650 billion (6,141).

The number of derivative contracts traded declined 10.3% to 70,952,100 (79,132,670) contracts.

Revenues rose 6% to SEK 1,656 million (1,561), primarily as a result of the increase in the number of listed companies and higher revenue from equities trading. Expenses excluding depreciation/amortization increased by 2% to SEK 655 (647) million. EBITDA increased 3% to SEK 1,001 million (913), corresponding to an EBITDA margin of 60% (59).

The company's expected future development

In 2018, work at business-area level will continue its geographic focus on Sweden, the Nordic and the Baltic regions. Nasdaq Stockholm will remain the driving force in the development of the ecosystem for a functioning capital market in Sweden for new listed companies and for trade in equities, bonds, derivatives and other securities. The goal is also to support a more integrated market in the Nordic region and the Baltic countries to build a critical mass and strengthen the entire region's competitiveness and support economic growth locally and regionally.

Research and development

Research and development constitute an integral part of the operating activities aimed at enhancing the efficiency of the operations and introducing new technologies, products and services. In 2017, this work was mainly focused on the product areas of options, futures, interest-rate swaps, sustainable corporate bonds and market-listed structured products. In addition to these, development work is conducted promisingly around blockchain technology (DLT - Distributed Ledger Technology).

Ownership structure

Nasdaq Stockholm is a wholly owned subsidiary of Nasdaq Nordic Ltd., corp. ID no. 1110552-9, which in turn is a wholly owned subsidiary of Nasdaq AB, corp. ID no. 556243-8001, the Group's Parent Company is The Nasdaq Inc., corp. ID no. 52-1165937 with its registered office in Delaware, USA.

Environmental impact

Nasdaq Stockholm AB is covered by a sustainability report that is separate from the annual report and the sustainability information is thereby not included in the administration report; see Appendix 1.

Five-year	2017	2016	2015	2014**
Net sales (SEK 000s)	1 656 195	1 560 561	1 459 434	1 326 888
Profit after financial items (SEK 000s)	996 999	899 918	859 488	566 193
Operating margin (%)	60%	58%	59%	42%
Return on equity (%)	77%	65%	56%	45%
Total assets (SEK 000s)	1 703 285	1 774 156	1 760 023	1 530 554
Equity/assets ratio (%)	76%	78%	86%	82%
Number of employees	149	155	151	160

* KPI definitions, refer to Note 21.

* Comparative figures for 2014 have not been restated as per the accounting policy in Chapter 26 BFNAR 2012:1 for social security expenses for the share-based program.

Proposed

The Board of Directors proposes that the unappropriated earnings (SEK)

Profit brought forward	469 190 774
Net profit for the year	777 598 376
	1 246 789 150

be appropriated as follows:

to be paid as dividend to shareholders (SEK 21.46 per share)	850 000 000
to be carried forward	396 789 150
	1 246 789 150

For more information regarding the earnings and financial position of the company, refer to the income statement, balance sheet, cash-flow statement and notes below.

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**Income statement
(SEK 000s)**

	Note	1/1/2017 -12/31/2017	1/1/2016 -12/31/2016
Net sales	2	1 656 195	1 560 561
		1 656 195	1 560 561
<i>Operating expenses</i>			
Other external expenses	3	-402 447	-430 141
Personnel costs	4	-211 395	-191 174
Amortization/depreciation and impairment (and reversal thereof) o tangible and intangible assets		-2 627	-12 834
Other operating expenses		-41 145	-25 619
		-657 614	-659 768
Operating profit	5	998 581	900 793
Other interest income and similar profit/loss items	6	162	98
Interest expenses and similar profit/loss items	7	-1 744	-973
		-1 582	-875
Income after financial items		996 999	899 918
Appropriations	8	-73 100	-43 532
Profit before tax		923 899	856 386
Tax on profit loss for the year	9	-146 301	-152 782
Net profit for the year		777 598	703 604

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**Balance sheet
(SEK 000s)**

	Note	12/31/2017	2016-12-31
ASSETS			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
Capitalized expenditure for research and development and similar work	10	12 884	17 706
		12 884	17 706
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	11	1 171	711
		1 171	711
<i>Financial assets</i>			
Participations in Group companies	12,13	50	50
		50	50
Total non-current assets		14 105	18 467
<i>Current receivables</i>			
Accounts receivable		78 203	80 718
Receivables from Group companies		1 262 651	1 348 910
Current tax asset		29	111
Other receivables		17 253	15 577
Prepaid expenses and accrued income	14	17 467	14 480
		1 375 603	1 459 796
<i>Short-term investments</i>			
Short-term investments		310 251	293 270
<i>Cash and bank balances</i>	15	3 326	2 623
Total current assets		1 689 180	1 755 689
TOTAL ASSETS		1 703 285	1 774 156

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**Balance sheet
(SEK 000s)**

	Note	12/31/2017	2016-12-31
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital	16	39 601	39 601
Development expense fund		7 972	12 647
		47 573	52 248
<i>Non-restricted equity</i>			
Profit brought forward		469 191	620 911
Net profit for the year		777 599	703 604
		1 246 790	1 324 515
Total shareholders' equity		1 294 362	1 376 763
Current liabilities			
Accounts payable		0	2 267
Liabilities to Group companies		174 771	103 058
Other liabilities		11 497	11 786
Current tax liability	9	94 762	127 540
Accrued expenses and deferred income	17	127 893	152 742
		408 923	397 393
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1 703 285	1 774 156

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Statement of changes in equity

	Restricted equity		Non-restricted equity		Total
	Share capital	Development expense fund	Profit brought forward	Net profit for the year	
Opening balance 1/1/2016 as per adopted annual report	39 601	0	648 303	825 102	1 513 006
Effects of changes to accounting method*			5 465	3 688	9 153
New opening balance 1/1/2016	39 601	0	653 768	828 790	1 522 159
Transfer of profit for previous year			828 790	-828 790	0
Transfer fund for development expenditures		12 647	-12 647		0
Dividend paid			-849 000		-849 000
Net profit for the year				703 604	703 604
Closing balance 12/31/2016	39 601	12 647	620 911	703 604	1 376 763
Transfer of profit for previous year			703 604	-703 604	0
Change in development expense fund		-4 675	4 675		0
Dividend paid			-860 000		-860 000
Net profit for the year				777 598	777 598
Closing balance 12/31/2017	39 601	7 972	469 191	777 598	1 294 361

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Cash flow statement

	1/1/2017	1/1/2016
	-12/31/2017	-12/31/2016
Operating activities		
Income after financial items	996 999	899 918
Adjustments for non-cash items, etc.		
Depreciation/amortization and impairment	10.11 23 199	12 834
Group receivables	-44 232	-41 351
	975 966	871 401
Income tax paid	-146 218	-152 636
Cash flow from operating activities before changes in working capital	829 748	718 765
<i>Changes in working capital</i>		
Changes in operating receivables	130 899	28 963
Changes in operating liabilities	8 974	157 468
Cash flow from operating activities	969 621	905 196
<i>Investing activities</i>		
Purchase of tangible assets	-806	0
Purchase of tangible assets	10 -18 031	-28 126
Sale of tangible assets	0	7 067
Cash flow from investing activities	-18 837	-21 059
<i>Financing activities</i>		
Dividend paid	-860 000	-849 000
Group contributions paid	8 -73 100	-43 532
Cash flow from financing activities	-933 100	-892 532
Cash flow for the year	17 684	-8 394
Cash and cash equivalents at beginning of year	295 893	304 287
Cash and cash equivalents at year-end	313 577	295 893

* Cash and cash equivalents include current investments, cash and bank balances.

Supplementary disclosures

Accounting policies, etc.

General accounting policies

The Annual Accounts have been prepared in accordance with the Annual Accounts Act (1995:1554) and BFNR 2012:1 Annual Accounts and Consolidated Financial Statements (K3):

Assessments and estimates

The following assessments by the Board have a significant impact on the carrying amounts in the annual report:

Group affiliation

The immediately superior Parent Company that prepares consolidated financial statements in which the company is included is The Nasdaq Group Inc., Delaware, USA, (employer ID no. 52-1165937). www.nasdaq.com

Revenue recognition

Revenue is measured at fair value of what the company received or will receive. This means that the company recognizes revenue at nominal value (invoiced amount) if the company receives remuneration in cash and cash equivalents on delivery. Deductions are made for provided discounts.

Financial instruments

Financial instruments are recognized according to BFNR 2012:1 (K3), Chapter 12. Refer also to the description of the accounting for each category of financial instruments. See also Note 18.

Financial assets/liabilities held for trading

Financial assets/liabilities held for trading include securities and are measured at fair value. For listed financial instruments, the market capitalization is calculated based on current market listings on the balance-sheet date. All changes in value are recognized in profit and loss.

Loans and receivables

Pertain to accounts receivable, receivables from Group companies, other receivables, as well as accrued revenue and are measured at cost. All changes in value are recognized in profit and loss.

Other financial liabilities

Pertain to accounts receivable, receivables from Group companies, other receivables, as well as accrued revenue and are measured at cost. All changes in value are recognized in profit and loss.

Participations in subsidiaries are exempted from BFNR 2012:1 (K3) Chapter 12 and recognized at cost, see also Note 13. 12.

Remuneration of employees

Remuneration of employees refers to all types of remuneration that the company pays to employees. The company's remuneration includes salaries, paid vacation, paid absence, bonuses and compensation after retirement (pensions). Recognition occurs in pace with vesting. Remuneration of employees after retirement pertains to defined-contribution pension plans. Defined-contribution plans are classified as plans in which established premiums are paid and there are no obligations, either legal or constructive, to pay anything further beyond these premiums. The company has no other long-term remuneration arrangements to employees. Premiums for defined-contribution plans are recognized as an expense in the period in which the employees perform the services that form the basis of the commitment.

Share-based payments

All employees participate in Nasdaq Inc.'s long-term incentive program. Based on the employee category, the program includes the allocation of shares and warrants in Nasdaq Inc. to which, to a certain extent, performance requirements and a requirement of continued employment in the company have been linked. Incentives will be exercised within a period of three to five years. The company is charged for current costs for the warrants program by the Parent Company. The costs charged by the Parent Company are based on the value of the stock or warrants at the time of allocation and is spread over the expected vesting period. The company applies the accounting policy in Chapter 26 BFNR 2012:1 regarding the long-term share-based incentive programs for all permanent employees. The principle means that social security expenses are calculated and period-allocated based on the number of shares earned during the entire length of the program, i.e. over the entire vesting period, based on the market value.

Remuneration policy

A report on the remuneration policy in compliance with the Swedish Financial Supervisory Authority's general guidelines on remuneration policies, FFFS 2016:21, will be published on the company's website, www.nasdaqomxnordic.com/omoss/legalstructure.

Translation of items in foreign currencies

Receivables and liabilities in foreign currencies were valued at the closing day rate. Exchange gains and losses on operating receivables and operating liabilities are recognized in operating income while exchange gains and losses on financial receivables and liabilities are recognized as financial items.

Group contributions

Group contributions received and paid are recognized as appropriations.

Taxes

Current and deferred income tax is recognized under the heading "Taxes" in the income statement. National income tax in Sweden is calculated on nominally entered earnings with additions for non-deductible items, deductions for non-taxable revenues and other deductions. Deferred tax assets are recognized for all deductible temporary differences and unutilized loss carry-forwards, to the extent it is probable that future taxable profit will be available against which the temporary differences or unutilized loss carry-forwards can be used. The deferred tax assets' carrying amounts are reviewed on each closing date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized, and increased to the corresponding extent. Deferred tax assets and liabilities are calculated by applying the tax rates and laws that have been decided or announced on the closing date and that are expected to apply for the period in which the deferred tax asset is realized or when the deferred tax liability is settled.

Non-current assets

Tangible and intangible assets are recognized at cost less accumulated depreciation/amortization and any impairment. Tangible assets were divided into significant components when the components have highly varying useful periods. The depreciable/amortizable amount comprises cost less an estimated residual value if this is significant. Depreciation/amortization takes place straight-line over the expected useful life.

The following amortization/depreciation periods are applied:

Intangible assets

Capitalized expenditure for research and development work and similar work 5 years

Tangible assets

Equipment, tools, fixtures and fittings 3-5 years

The company applies the so-called capitalization model for internally created intangible assets. The method entails that all charges that fulfill the criteria in BFNR 2012:1 are capitalized as intangible assets and amortized over the estimated useful life of the asset.

Cash flow statement

The company applies the indirect method to the preparation of the cash flow statement. Cash and cash equivalents are defined as short-term investments with maturity terms of less than three months, and cash and bank balances.

Receivables, liabilities and provisions

Current receivables are recognized at the lower of cost and the amount expected to result from settlement, unless otherwise indicated above. Long-term receivables and liabilities are recognized at amortized cost at the first measurement occasion. Other liabilities and provisions are recognized in the amounts expected to result from settlement. Other assets are recognized

Notes

Note 2 Distribution of net sales

Net sales are distributed over the business areas as follows:

	2017	2016
Transaction revenue	679 636	649 719
Market data	362 875	346 234
Issuers	399 368	365 877
Technology and system income	165 624	160 510
Other operating income	48 692	38 221
	1 656 195	1 560 561

Note 3 Auditors' fees

	2017	2016
EY AB		
Audit assignment	750	750
Other auditing activities	0	40
	750	790

Note 4 Employees and personnel costs

	2017	2016
<i>Average number of employees</i>		
Men	99	107
Women	50	48
	149	155

<i>Remuneration and other benefits</i>		
Board	14 914	13 131
(of which bonus)	(3 096)	(3 303)
(of which share-based remuneration)	(7 573)	(5 803)
CEO	8 746	4 724
(of which bonus)	(1 706)	(1 388)
(of which share-based remuneration)	(4 733)	(1 753)
Other employees	113 393	110 217
(of which share-based remuneration)	(801)	(4 528)
	137 053	128 072

	2017	2016
<i>Social security expenses</i>		
Pension expenses for Board members	4 654	4 094
Pension expenses for CEO	2 566	396
Pension expenses for other employees	10 188	11 419
Social security expenses	60 034	38 355
	77 442	54 264

Gender distribution among senior executives

Percentage of women on the Board	33%	33%
Percentage of men on the Board	67%	67%
Percentage women among other senior executives	0%	0%
Percentage men among other senior executives	100%	100%

The data pertains to conditions on the closing date.

Remuneration structure 2017

Nasdaq's remuneration of employees consists of both fixed and variable remuneration, as well as pension and other benefits. Variable remuneration is divided into short-term and long-term incentive programs. The short-term incentive program encompasses all employees and is a cash-based remuneration linked to various targets in the business.

Share-based remuneration

In December 2008, the Nasdaq Board of Directors decided to implement a long-term incentive program (LTIP) for all permanent employees. This program consists of share-based instruments linked to the Nasdaq share, which is listed on the Nasdaq Stock Market in the US. The LTIP is a performance-based program. The ratio used for measuring performance is Nasdaq's operating profit in the year concerned. The principles of share-based remuneration and its components are

The amount of an employee's share-based remuneration depends on the company's earnings, the business area's earnings, the team's targets and the employee's positions in the company.

The LTIP's share-based remuneration comprises three different instruments:

- "Performance Share Units (PSUs) with 1-Year performance", one-third transferred to employees per year. The number of shares transferred is linked to Nasdaq's corporate operating income with a payment interval of 0-150%, meaning that the number of shares transferred can be lower or higher.
- "Performance Share Units (PSUs) with 3-Year performance", 100% transferred after three years. The number of shares transferred is linked to the "Total Shareholder Return" (TSR) and to S&P 500 earnings. The number of shares transferred can be lower or higher.
- "Restricted Stock Units (RSUs) that vest over time" (non-performance-based), 25% transferred after two years, 25% after three years and 50% after four years. The number of shares allotted is always the same as the number transferred.

Social security expenses for share-based remuneration

In accordance with Chapter 26, share-based remuneration, in BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3), social security expenses on share-based remuneration are calculated and allocated based on the number of shares received continuously over the entire length of the program, meaning over the entire vesting period.

Pensions

Nasdaq Sweden offers its employees a market-rate, premium-based occupational pension – Nasdaq pension plan.

The retirement age is 65 years.

Other benefits

In addition to the above occupational pension, Nasdaq Sweden has taken out health insurance, group life insurance (TGL), medical expenses insurance and occupational injury insurance (TFA) for its employees. Employees are also able to supplement their coverage through Nasdaq's voluntary group insurance.

Note 5 Intra-Group purchases and sales

	2017	2016
Percentage of total purchases during the year from other Group companies	43%	44%
Percentage of total sales to other Group companies	10%	10%

The expenses primarily comprise operating and development expenses from NASDAQ NASDAQ Exchange and Clearing Services AB.

Note 6 Other interest income and similar profit/loss items

	2017	2016
Other interest income	162	8
Exchange-rate differences	0	90
	162	98

Note 7 Interest expenses and similar profit/loss items

	2017	2016
Interest expenses to Group companies	-11	-10
Other interest expenses	-1 725	-963
Exchange-rate differences	-8	-
	-1 744	-973

Note 8 Appropriations

	2017	2016
Group contribution paid	-313 100	-267 147
Group contribution received	240 000	223 615
	-73 100	-43 532

Note 9 Tax on profit for the year

	2017	2016
Current tax	150 622	151 857
Adjustment related to previous years	-4 402	780
Change in deferred tax for temporary differences	82	145
Total recognized tax	146 301	152 782

Average effective tax rate	15,8%	17,8%
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Reconciliation of effective tax rate

Recognized profit before tax	923 900	856 386
Tax on recognized profit as per applicable tax rate (22%):	203 258	188 405
Tax effect of:		
Other non-deductible expenses	708	7 341
Tax attributable to earlier years	-4 402	1 831
Non-taxable Group contribution	-52 800	-44 795
Non-taxable income	-463	-
Recognized tax	146 301	152 782
Effective tax rate	15,8%	17,8%

Note 10 Capitalized expenditure for research and development and similar work

	12/31/2017	12/31/2016
Opening cost	76 476	55 417
Disposals	-20 573	-7 067
Acquisitions for the year	18 031	28 126
Closing accumulated cost	73 934	76 476
Opening amortization	-47 841	-46 143
Amortization for the year	-2 280	-1 698
Closing accumulated amortization	-50 121	-47 841
Opening impairment	-10 929	0
Impairment losses for the year	0	-10 929
Closing accumulated impairment	-10 929	-10 929
Closing carrying amount	12 884	17 706

Note 11 Equipment

	12/31/2017	12/31/2016
Opening cost	14 181	14 181
Acquisitions for the year	806	0
Closing accumulated cost	14 987	14 181
Opening depreciation	-13 470	-13 263
Depreciation for the year	-346	-207
Closing accumulated depreciation	-13 816	-13 470
Closing carrying amount	1 171	711

Note 12 Participations in Group companies

	12/31/2017	12/31/2016
Opening cost	50	50
Closing accumulated cost	50	50
Closing carrying amount	50	50

Note 13 Specification of participations in Group companies

Name	% capital	% votes	No. of participations	Book value
Nasdaq Technology Italy S.r.l.	5%	5%	5%	50
				50

	Corp. ID no.	Domicile	Shareholders' equity*	Profit for year**
Nasdaq Technology Italy S.r.l.	7 983 258	Italy	8 204	1 210

* Equity and Profit for the year have been given in their entirety regardless of participating interest.

** Profit for the year refers to the profit after financial items.

Note 14 Prepaid expenses and accrued income

	12/31/2017	12/31/2016
Accrued income	12 345	12 807
Other prepaid expenses	5 122	1 673
	17 467	14 480

Note 15 Cash and bank balances

	12/31/2017	12/31/2016
Cash	3 326	2 623
	3 326	2 623

Note 16 Number of shares

	12/31/2017 Quotient value	12/31/2016 Quotient value	12/31/2017 No. of	12/31/2016 No. of
Shares	0	0	0	0

Note 17 Accrued expenses and deferred income

	12/31/2017	12/31/2016
Accrued remuneration and other benefits	23 289	28 636
Accrued vacation pay	21 573	20 465
Accrued social security expenses	10 554	5 218
Deducted tax for personnel	3 042	2 999
Deferred income, notation matters	3 872	12 566
Deferred income, members	16 924	38 874
Other deferred income	48 639	43 984
	127 893	152 742

Note 18 Disclosures on financial instruments

Assets at Dec 31, 2017	Financial assets held for trading	Loans and receivables	Non- financial assets	Total
Accounts receivable		78 203		78 203
Receivables from Group companies		1 262 651		1 262 651
Other receivables		17 253		17 253
Prepaid expenses and accrued income		0	0	1
Short-term investments	310 251			310 251
Cash and bank balances		3 326		3 326
	310 251	1 361 433	0	1 671 685

Assets at Dec 31, 2016	Financial assets held for trading	Loans and receivables	Non- financial assets	Total
Accounts receivable		80 718		80 718
Receivables from Group companies		1 348 910		1 348 910
Other receivables		15 577		15 577
Prepaid expenses and accrued income		0	0	-1
Short-term investments	293 270			293 270
Cash and bank balances		2 623		2 623
	293 270	1 447 828	0	1 741 097

Liabilities at Dec 31, 2017	Other financial liabilities	Non- financial liabilities	Total
Accounts payable	0		0
Liabilities to Group companies	174 771		174 771
Accrued expenses and deferred inc	0	58 459	58 459
Other liabilities	0	11 497	11 497
	174 771	69 956	244 727

Liabilities at Dec 31, 2016	Other financial liabilities	Non- financial liabilities	Total
Accounts payable	2 267		2 267
Liabilities to Group companies	103 058		103 058
Accrued expenses and deferred inc	0	57 319	57 319
Other liabilities	0	11 786	11 786
	105 325	69 105	174 430

Note 19 Disclosures on other non-cash items

	12/31/2017	12/31/2016
Opening balance	41 492	34 966
Group receivables regarding Market data and Technology revenue	3 367	6 527
	44 860	41 492

Note 20 Pledged assets and contingent liabilities

	12/31/2017	12/31/2016
Pledged assets	None	None
Contingent liabilities	None	None

Note 21 Definitions of key performance indicators

Operating margin

Operating profit as a percentage of net sales.

Adjusted equity

Equity plus untaxed reserves less deferred tax.

Return on equity

Profit after financial items as a percentage of average adjusted equity

Equity/assets ratio

Adjusted equity as a percentage of total assets.

Note 22 Significant events after the end of the balance sheet date

The Administrative Court repealed in a judgment dated 3 May 2018 the Financial Supervisory Authority's decision. The Administrative Court considers that it is neither appropriate nor necessary to intervene with a remark and penalty. Finansinspektionen's decision is therefore contrary to the principle of proportionality.

In a ruling on January 15, 2018, the Patent and Market Court freed Nasdaq Stockholm AB from all suspicions of having abused a dominating market position in October 2010. The court confirms that Nasdaq acted based on its contractual rights and in the context did not exploit a dominant position to achieve trade advantages that Nasdaq would not have achieved otherwise.

MiFID II was implemented on January 3, 2018. MiFID II is one of the largest regulatory changes to occur since MiFID. Nasdaq Stockholm AB has conducted a large project to adapt our systems to the new regulations.

Note 23 Proposed appropriation of earnings

12/31/2017

Proposed appropriation of earnings

The Board of Directors proposes that the unappropriated earnings

Profit brought forward	469 190 774
Net profit for the year	777 598 376
	1 246 789 150

be appropriated as follows:

to be paid as dividend to shareholders (SEK 21.46 per share)	850 000 000
to be carried forward	396 789 150
	1 246 789 150

*This is an in-house translation from the Swedish language original.
In case of discrepancy between the Swedish language original
text and the English language translation, the Swedish text shall prevail.*

Stockholm, [MMM DD], 2018

Andreas Gustafsson
Chairman

Teuvo Rossi
Board member

Suzanne Dahl
Board member

Christina Werner
Board member

Adam Kostyál
Board member

Lauri Rosendahl
CEO

Robert Caisley
Board member

Our audit report was submitted on [MMM DD], 2018

Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant