

Full year results 2020



Nordnet

Key highlights fourth quarter 2020

- High interest for investments in shares and funds leads to record inflow of savings capital and new customers to Nordnet's platform
- Trading record and largest broker in the Nordics – highest turnover on the Nordic exchanges in 2020
- New all-time high on savings capital and lending
- Continued development of interface and products – digital occupational pension, paperless mortgage application process and advisory tools for fund savings launched during the quarter
- High net income and cost control leads to the best financial result in Nordnet's history – adjusted profit before tax at SEK473 million.
- Nordnet listed on Stockholm main exchange under ticker SAVE, first trading day was 25th of November
- Nordnet propose a dividend of 1.51 SEK per share
- Continued strong development in January

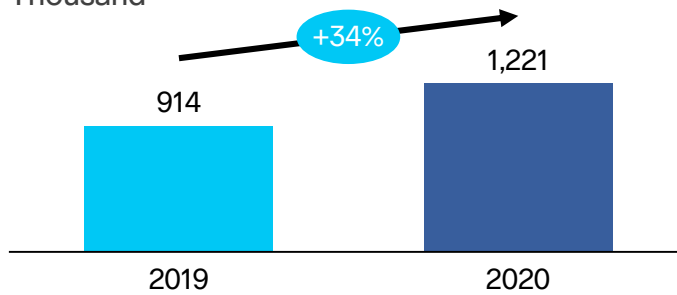
Financial highlights fourth quarter 2020

SEKm unless otherwise stated	Q4 2020	Q3 2020	QoQ %	Q4 2019	YoY %
Condensed P&L ¹					
Adjusted total income	767	617	24%	428	79%
Adjusted operating expenses	(287)	(258)	11%	(295)	(3%)
Adjusted profit before tax	473	356	33%	123	283%
KPIs					
New customers	+98,600	+53,700	84%	+31,400	214%
Customers	1,221,500	1,122,900	9%	913,600	34%
Net savings (SEKbn)	+35.2	+9.7	261%	+7.3	382%
Savings capital (SEKbn)	564.9	477.8	18%	394.5	43%

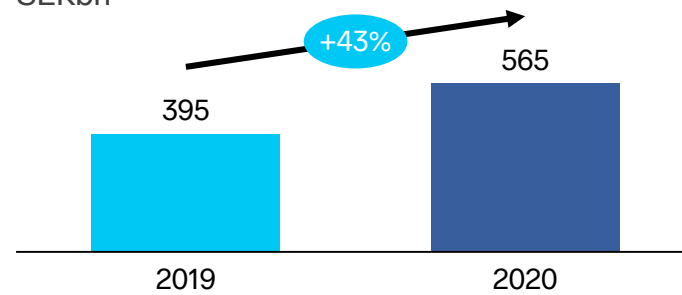
(1) Refer to page 26/27 for additional detail on items affecting comparability

Financial highlights full year 2020

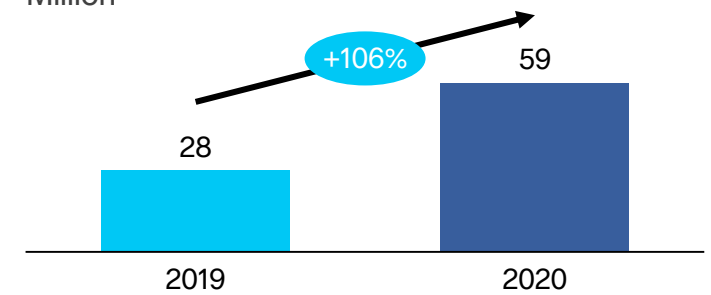
Customers
Thousand



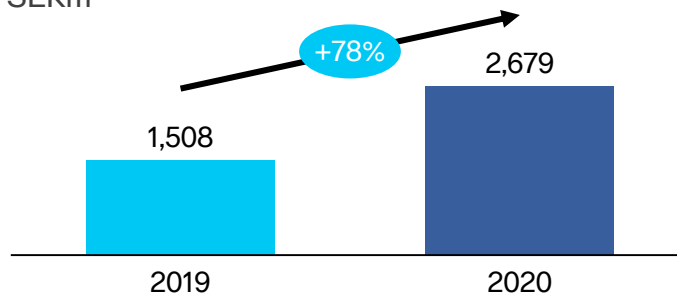
Savings capital
SEKbn



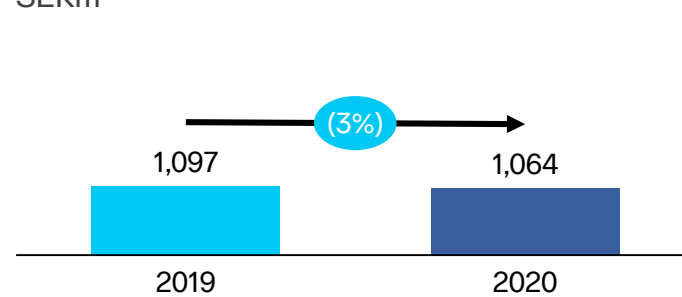
Number of trades
Million



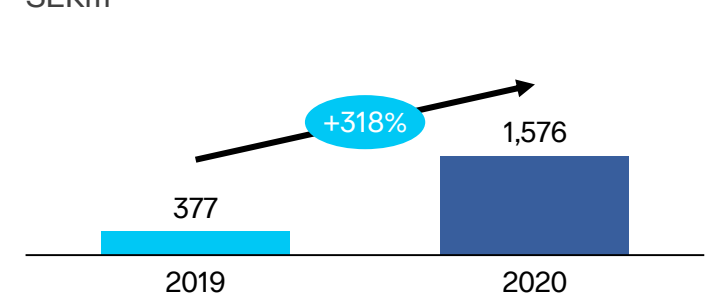
Adjusted revenues
SEKm¹



Adjusted operating expenses
SEKm¹



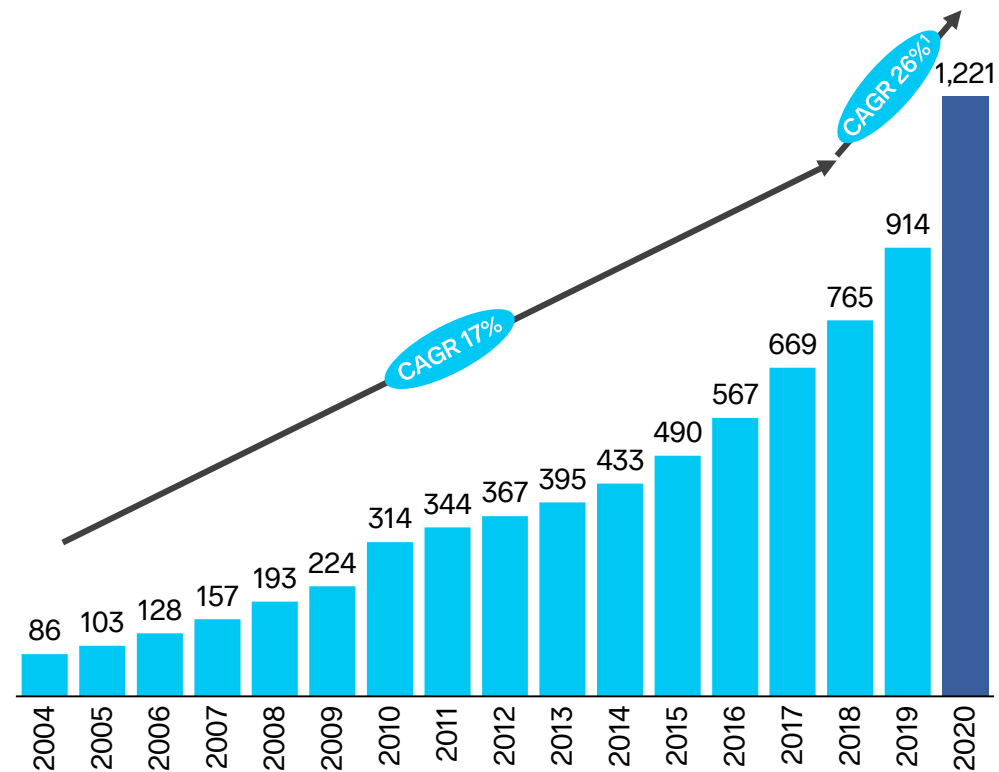
Adjusted profit before tax
SEKm¹



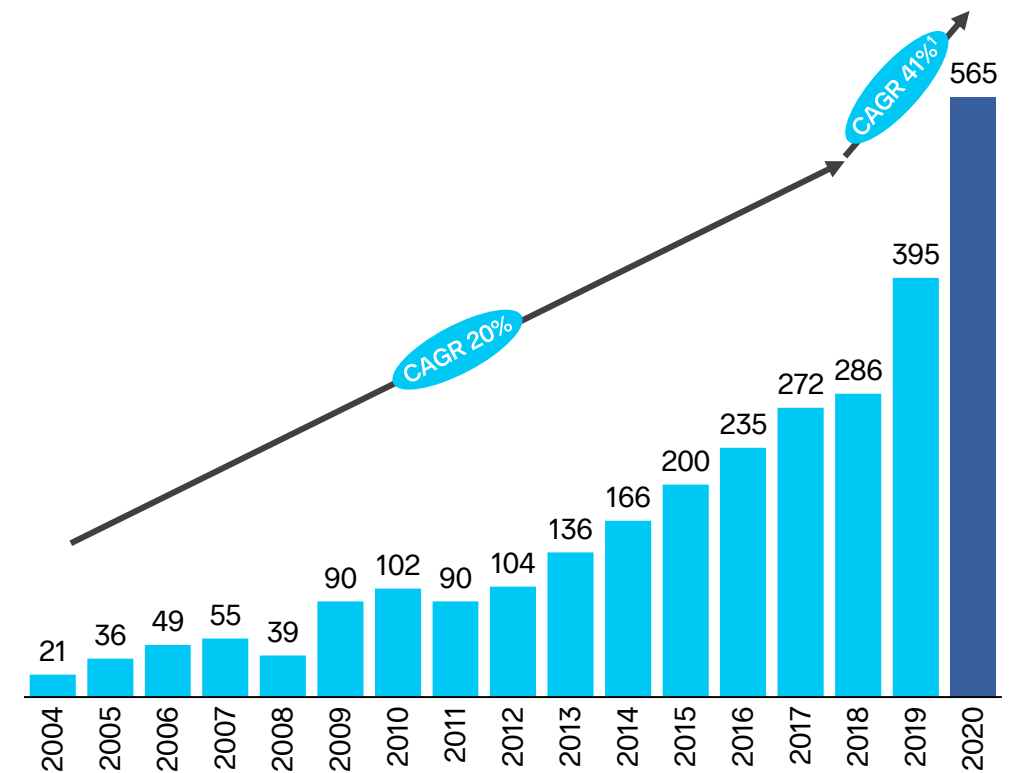
(1) Refer to page 26/27 for additional detail on items affecting comparability

Continued acceleration of long-term growth

Customers
Thousand



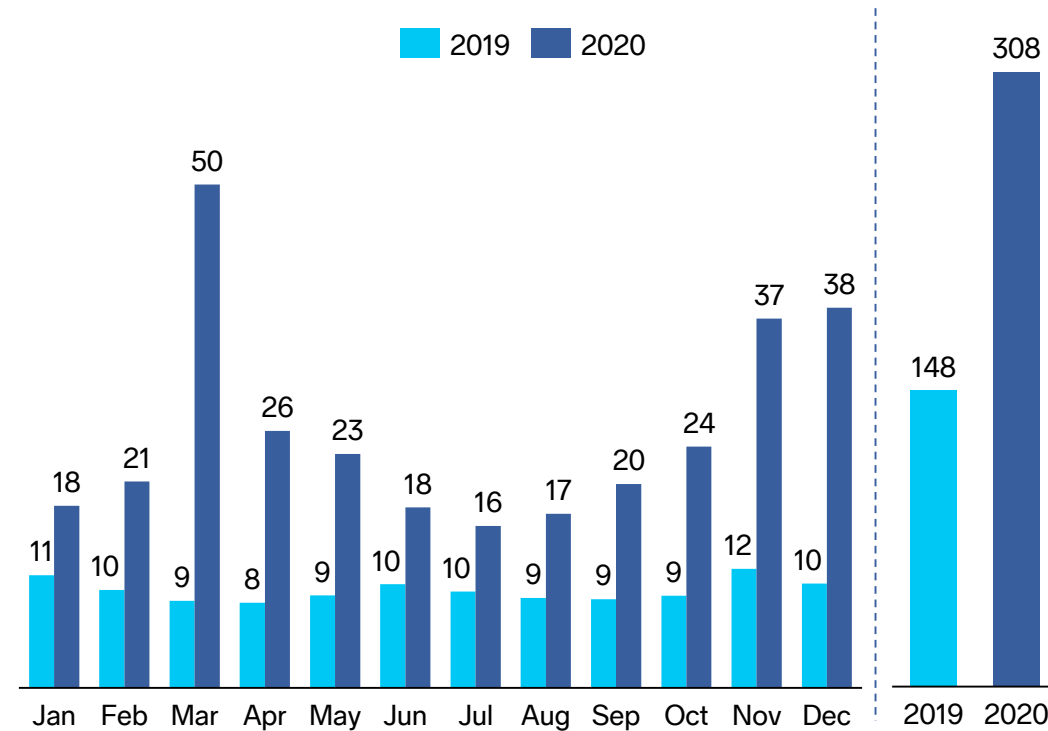
Savings capital
SEKbn



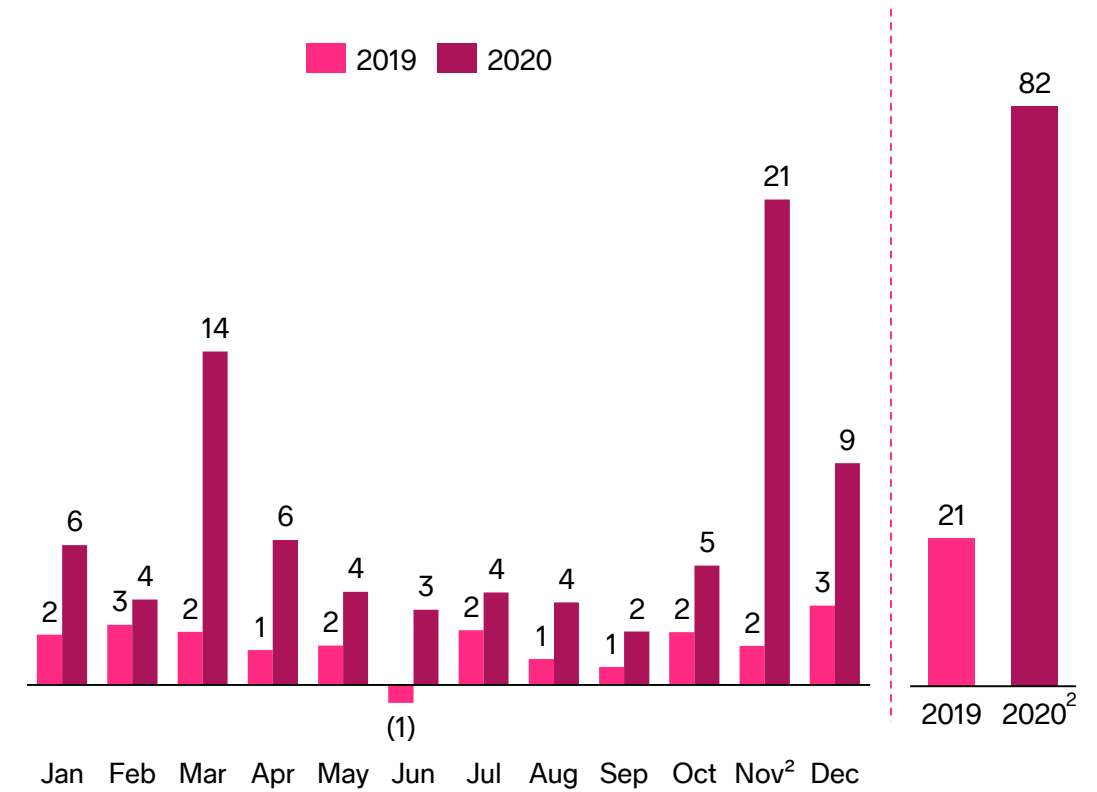
(1) Adjusting for the acquisition of Netfonds (contributing ~32,000 customers / SEK15bn in savings capital), the CAGRs would have been 25% for customers and 39% for savings capital, respectively

Consistent significant growth in customers and net savings throughout the year

New customers by month
Thousand¹



Net savings per month
SEKbn

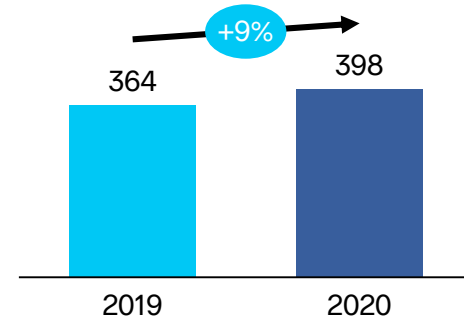


(1) Excludes the ~32,000 customers onboarded in June 2019 as a result of the acquisition of Netfonds (included in FY 2019 figure); (2) Of the total net savings in November 2020, SEK 11.7 billion corresponds to shares in Nordnet AB (publ) related to Nordnet's listing on Nasdaq

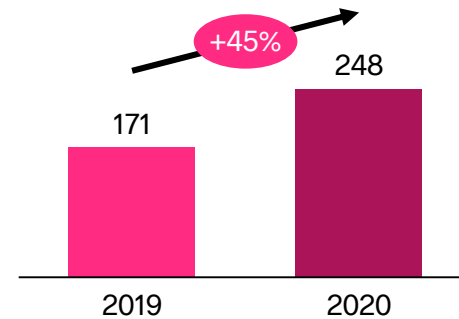
Continued strong customer and savings capital growth across our geographies

Sweden

Customers
Thousand

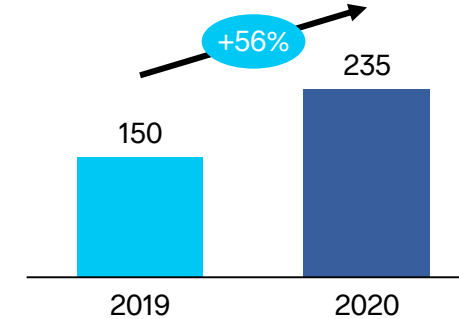


Savings capital
SEKbn

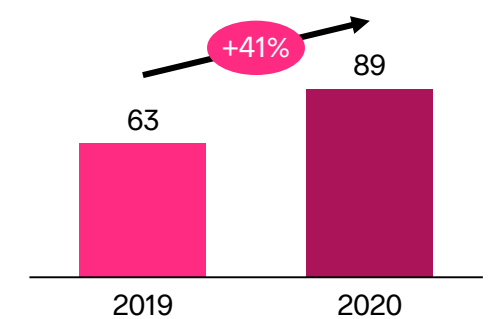


Norway

Customers
Thousand

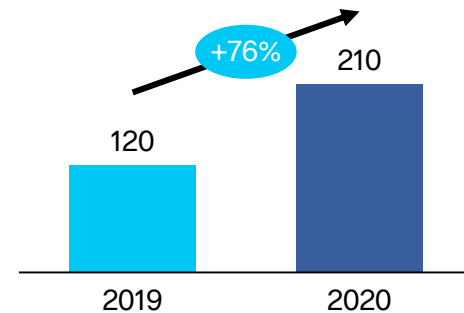


Savings capital
SEKbn

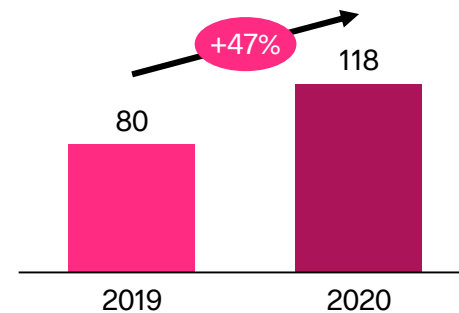


Denmark

Customers
Thousand

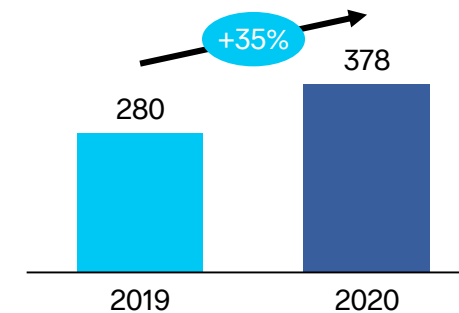


Savings capital
SEKbn

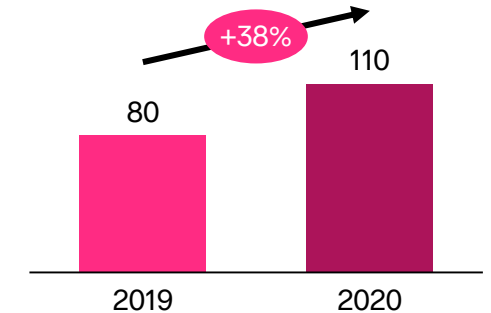


Finland

Customers
Thousand

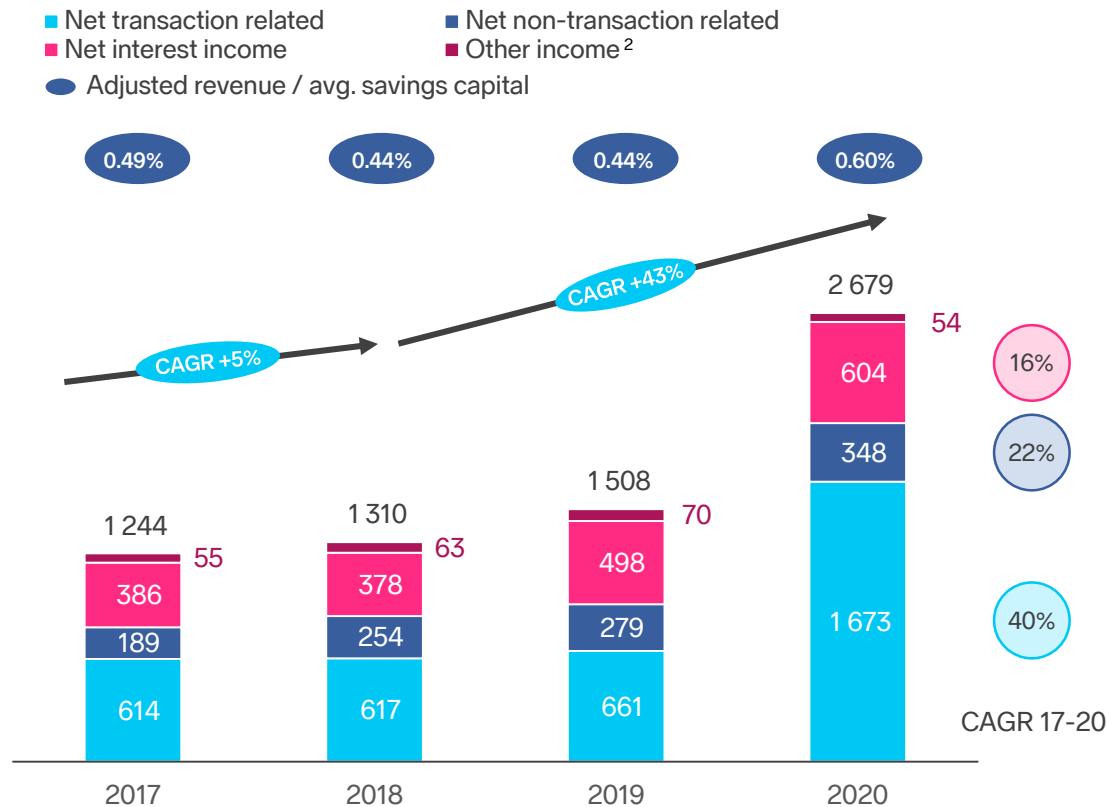


Savings capital
SEKbn

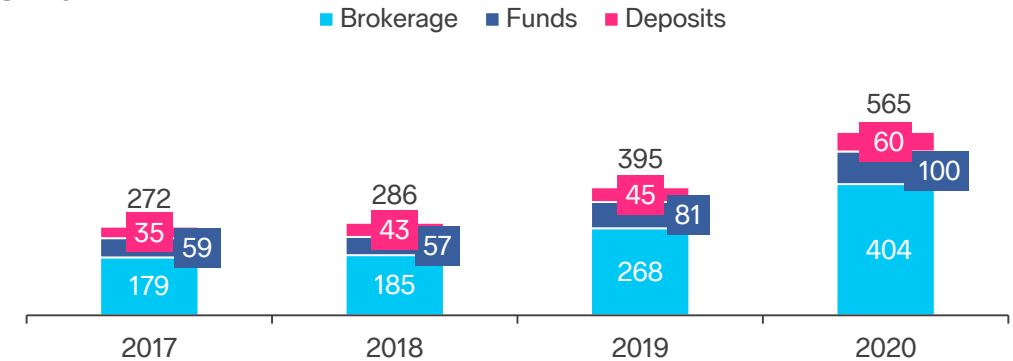


Strong revenue growth driven by higher savings capital and resilient margins

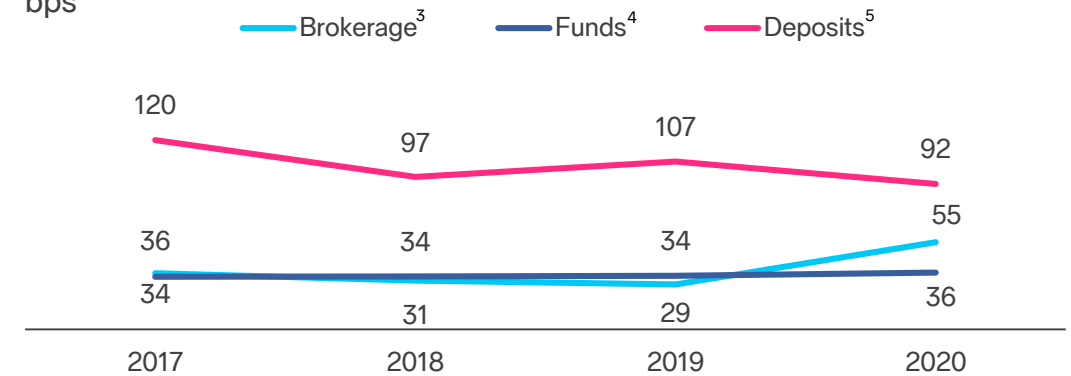
Adjusted revenue by income type
SEKm¹



Savings capital by product
SEKbn



Revenue margin by product
bps



(1) Refer to page 26/27 for a reconciliation of adjusted to reported metrics; (2) Includes net financial transactions; (3) Net transaction related income divided by average quarterly brokerage savings capital; (4) Net non-transaction related income excluding income from Nordnet Markets divided by average quarterly fund savings capital; (5) Net interest income excluding income related to securities lending divided by average quarterly deposits

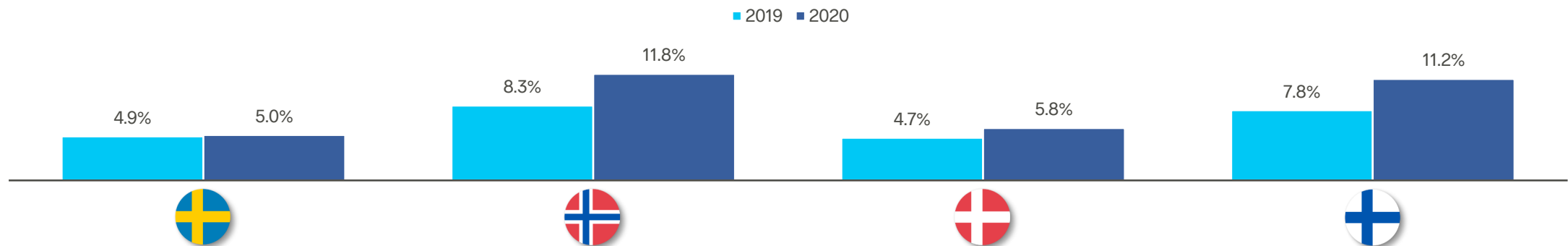
Strong customer satisfaction driving market share gains

Customer satisfaction remains at high levels in all countries...



...which translates into increasing market shares across our geographies

Market share based on number of trades on the relevant exchange (%)

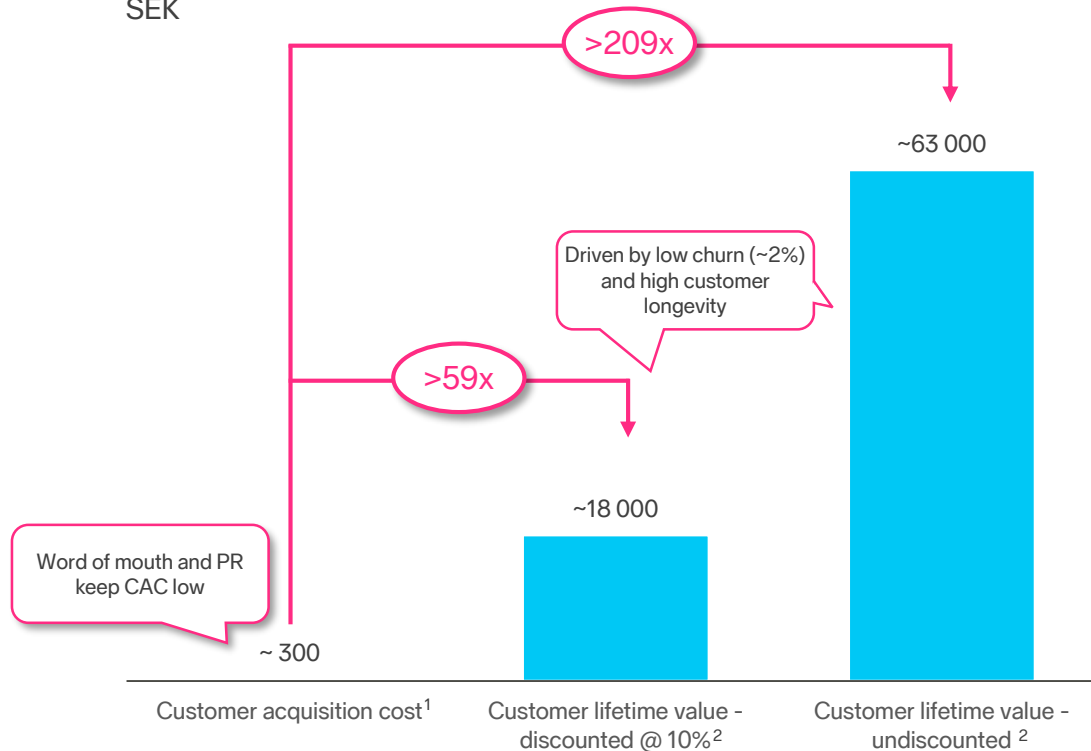


Source: Nasdaq OMX Stockholm, Copenhagen and Helsinki as well as Oslo Børs. For Norway, the numbers in both 2019 and 2020 include Netfonds.

Profitable customer growth with significant long-term potential

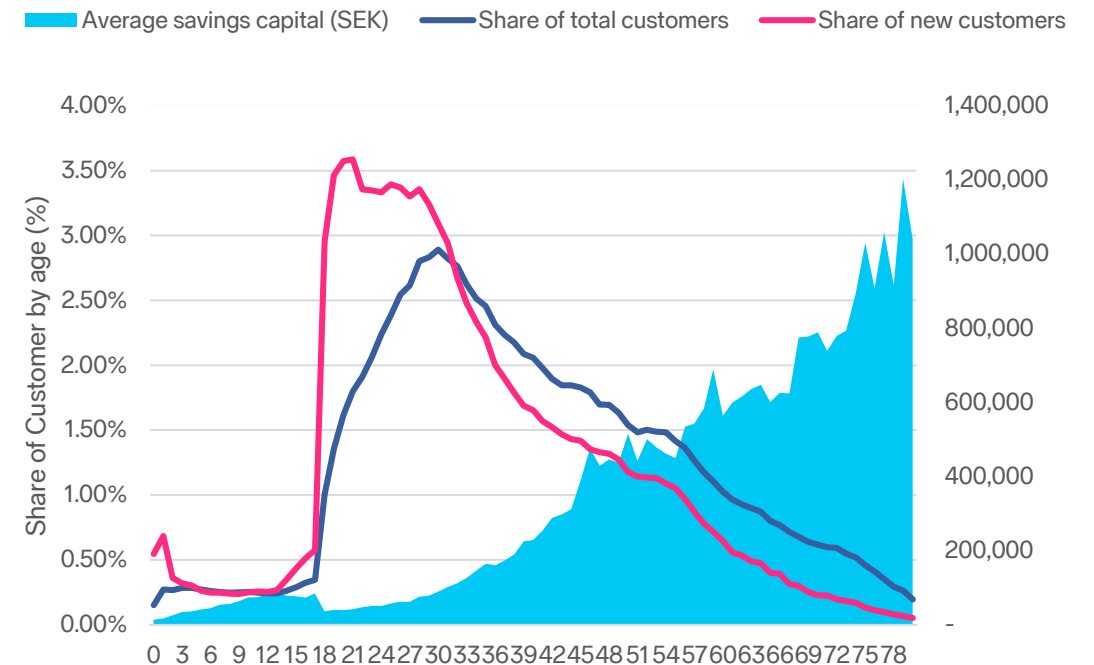
Attractive customer lifetime value driven by low acquisition cost and churn...

Nordnet's customer acquisition cost vs. average lifetime customer value SEK



...with strong further growth outlook as younger customers accumulate and inherit wealth

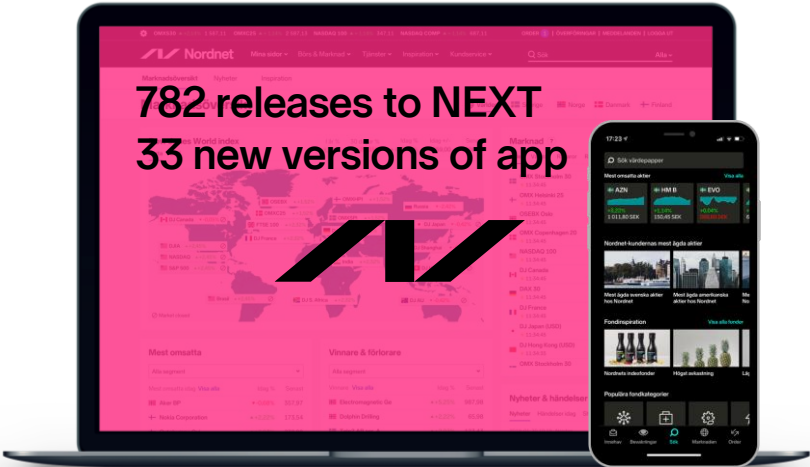
Distribution of Nordnet's savings capital and number of customers by age³



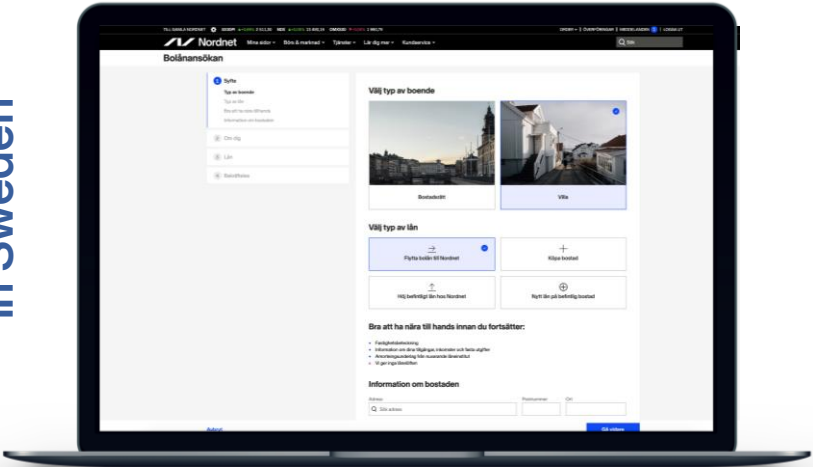
(1) Customer acquisition cost in 2020 (includes personnel expenses attributable to marketing, sales and onboarding as well as marketing expenses such as affiliates, SEO, etc. and mail expenses); (2) Customer retention rates of 97-98%, which Nordnet measures year-on-year by testing if a customer is still active the following year. As a result, Nordnet enjoys a long average customer longevity on the platform. An expected lifetime value, which is calculated as expected average customer platform longevity multiplied by average income, is approximately SEK63,000 or, when discounted back over 40 years at a rate of 10%, is approximately SEK18,000; (3) Source: Nordnet as per December 31, 2020

Select product releases

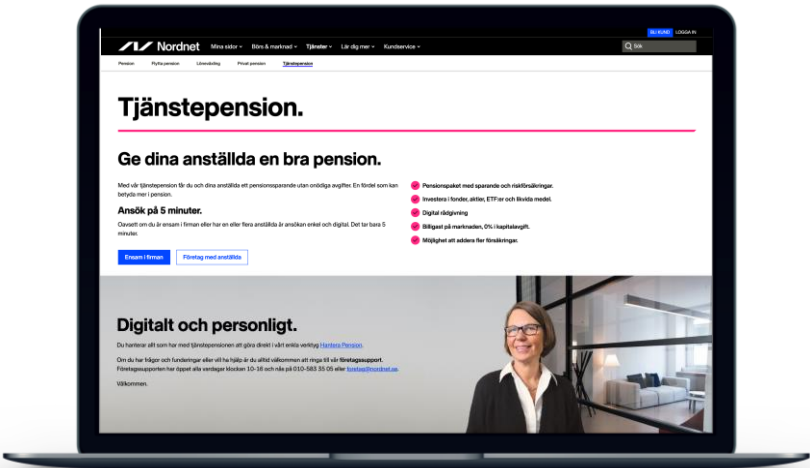
Continuous releases
to web and app



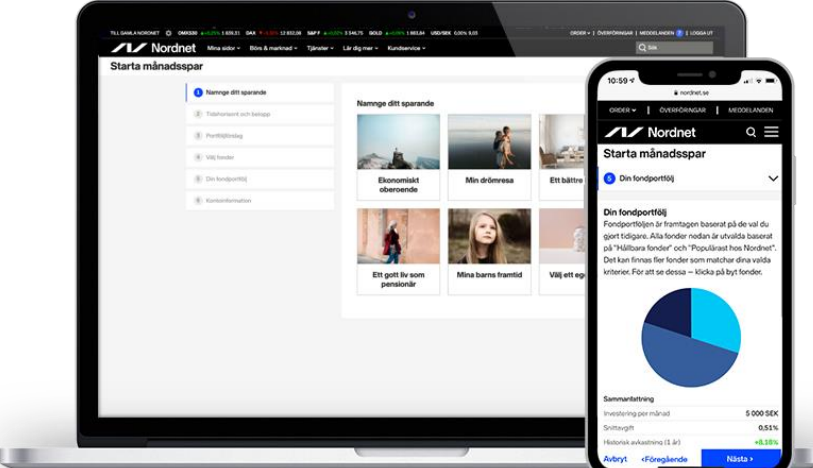
Fully digital mortgage
in Sweden



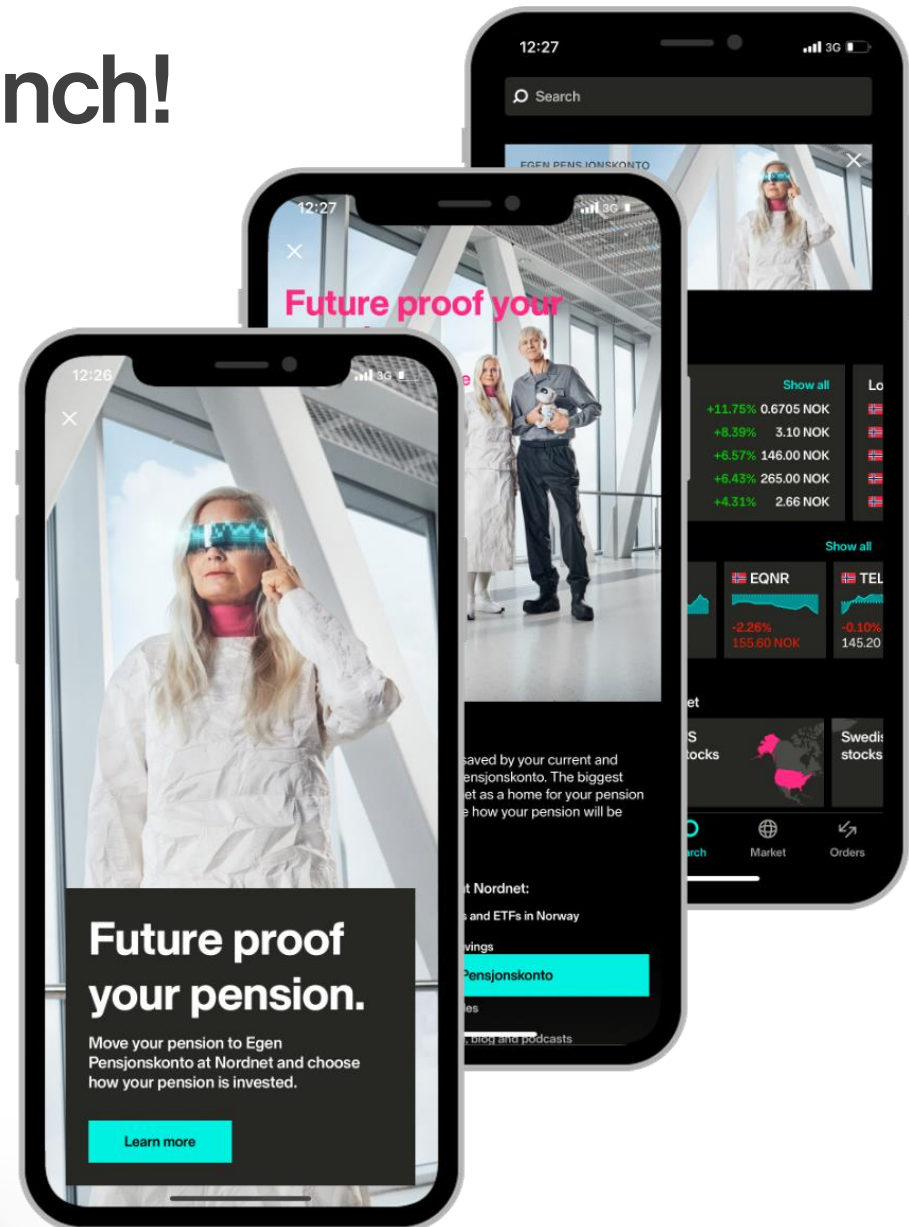
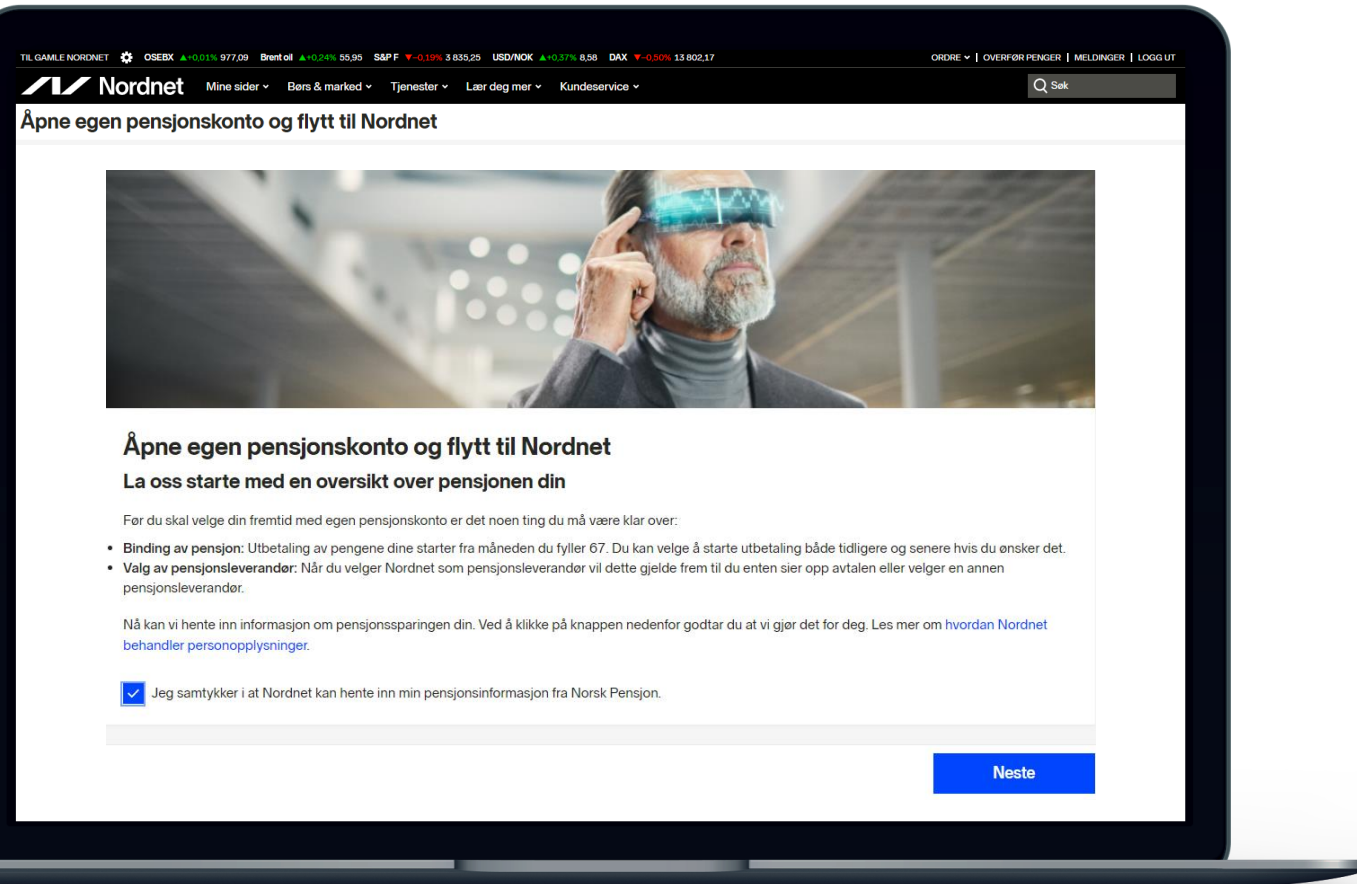
Digital occupational
pension for entrepreneurs



Fund guidance flow



All eyes on Norwegian EPK launch!



Financial performance

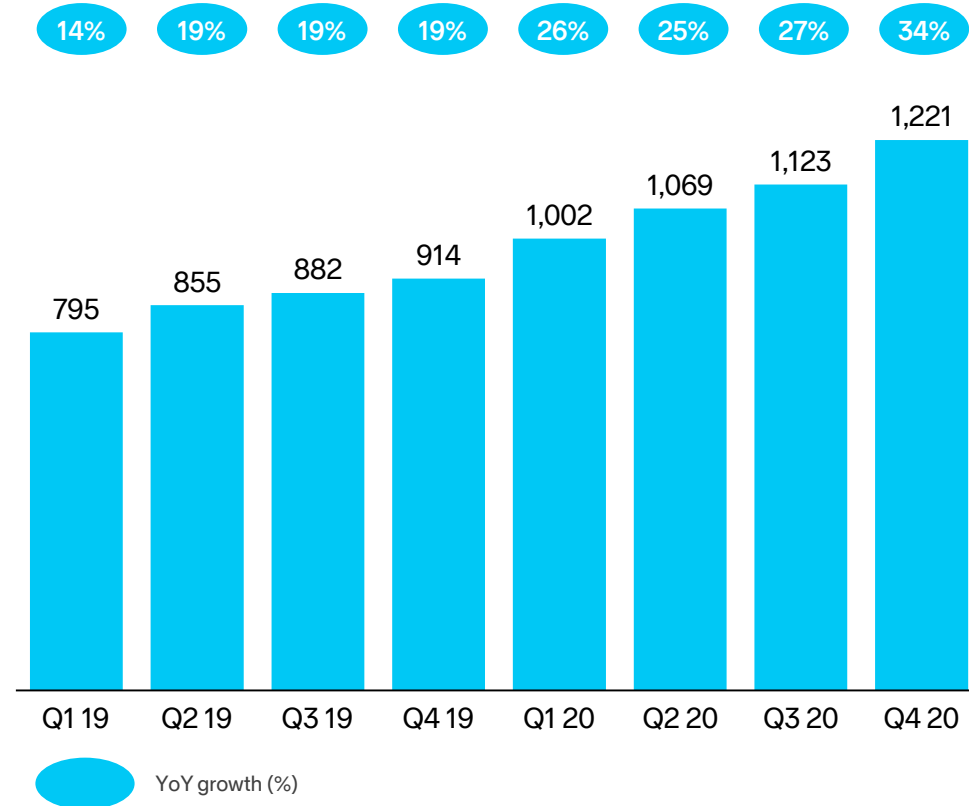
 Nordnet



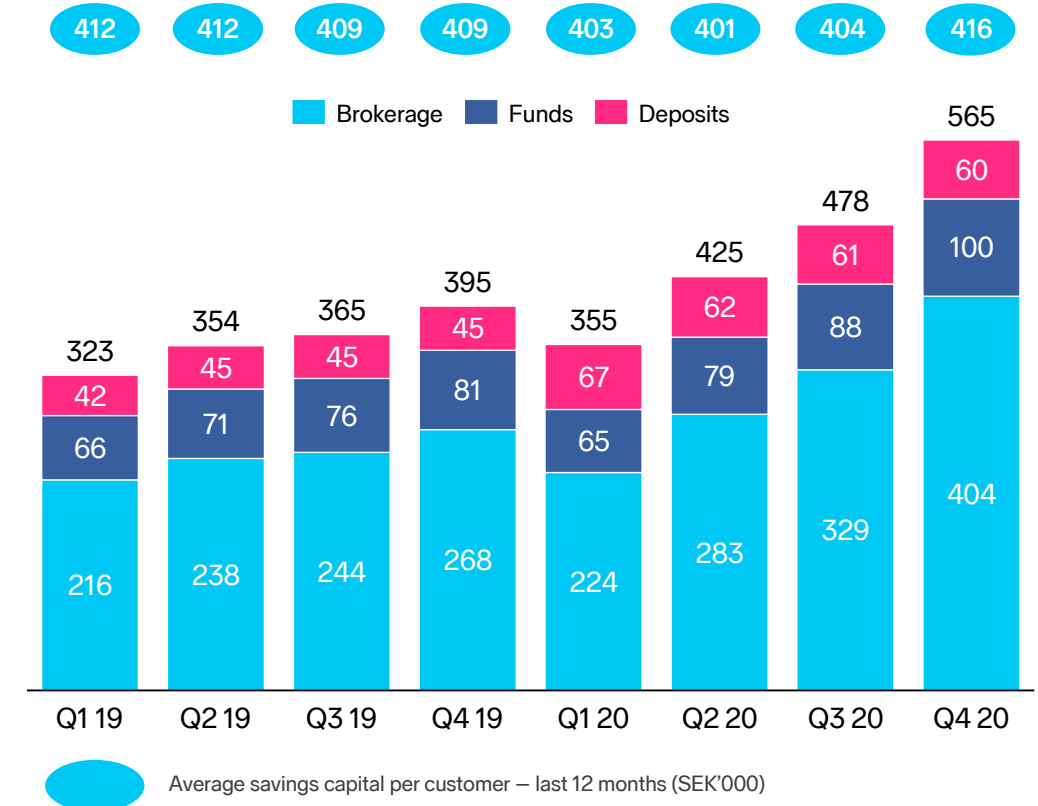
Nordnet

Strong momentum in customer and savings capital development

Customers
Thousands

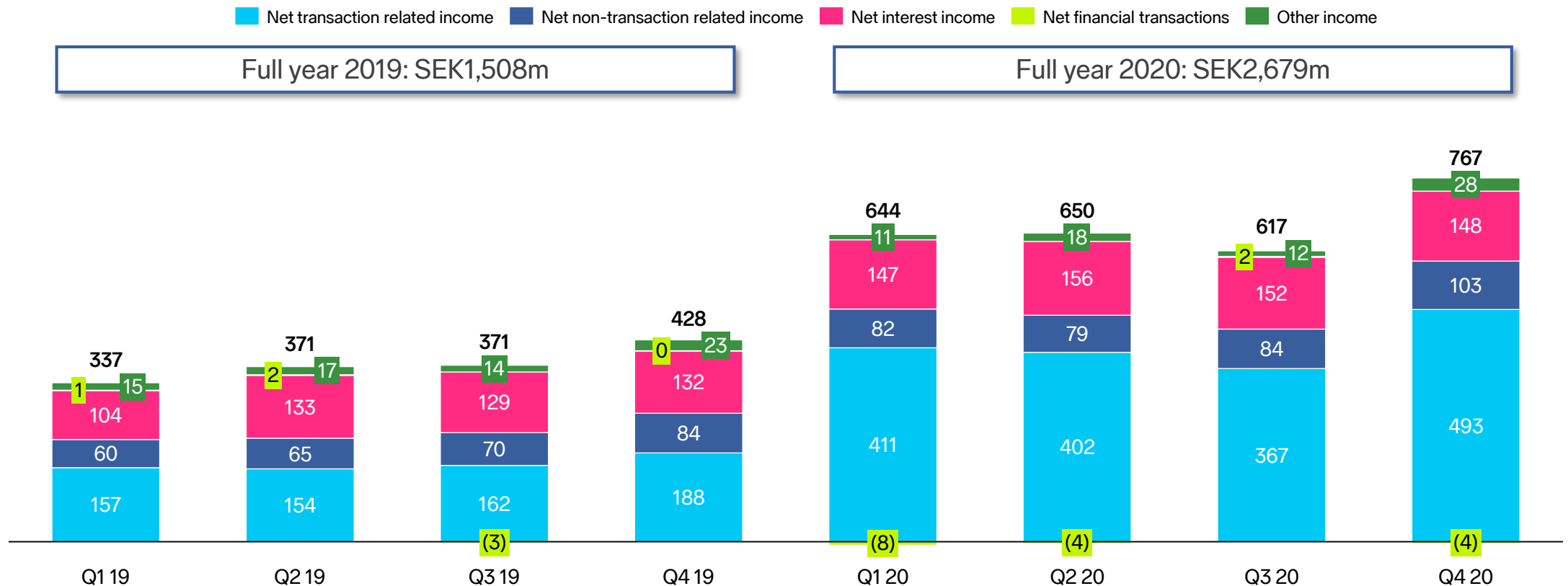


Savings capital by asset class
SEKbn



Step change in all major income streams in 2020...

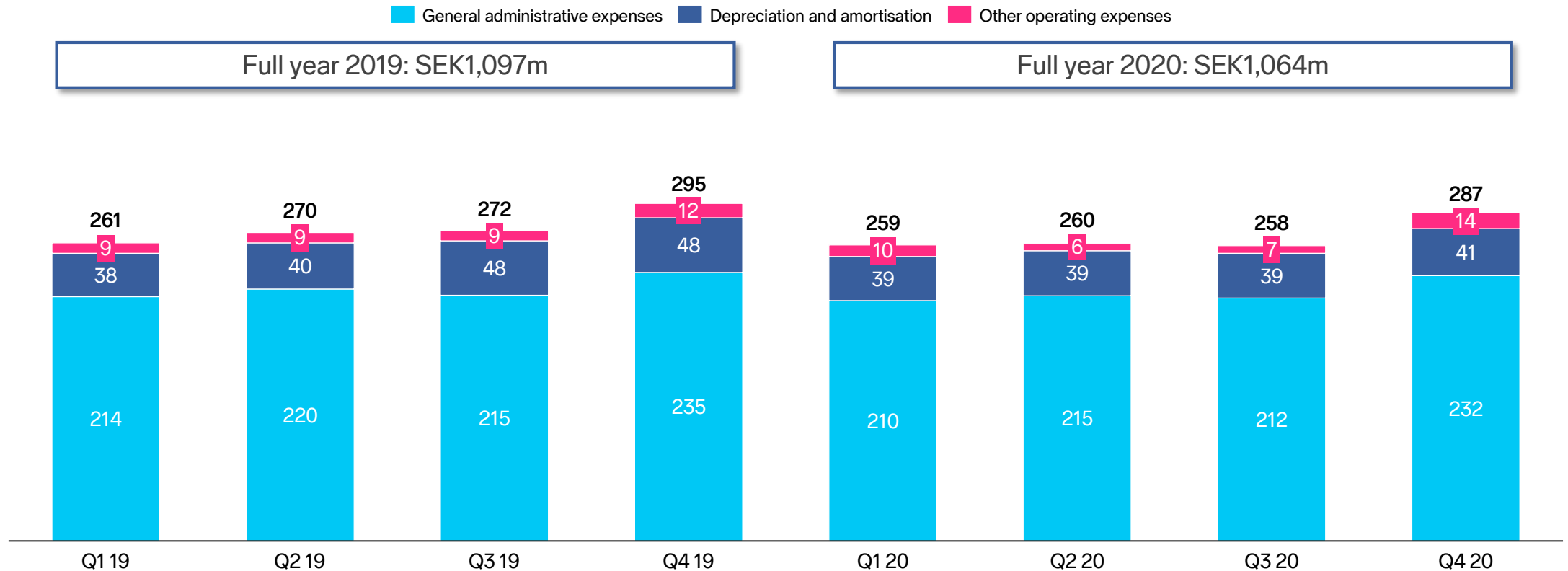
Adjusted revenue by income stream SEKm



Note: Refer to page 26/27 for additional detail on items affecting comparability

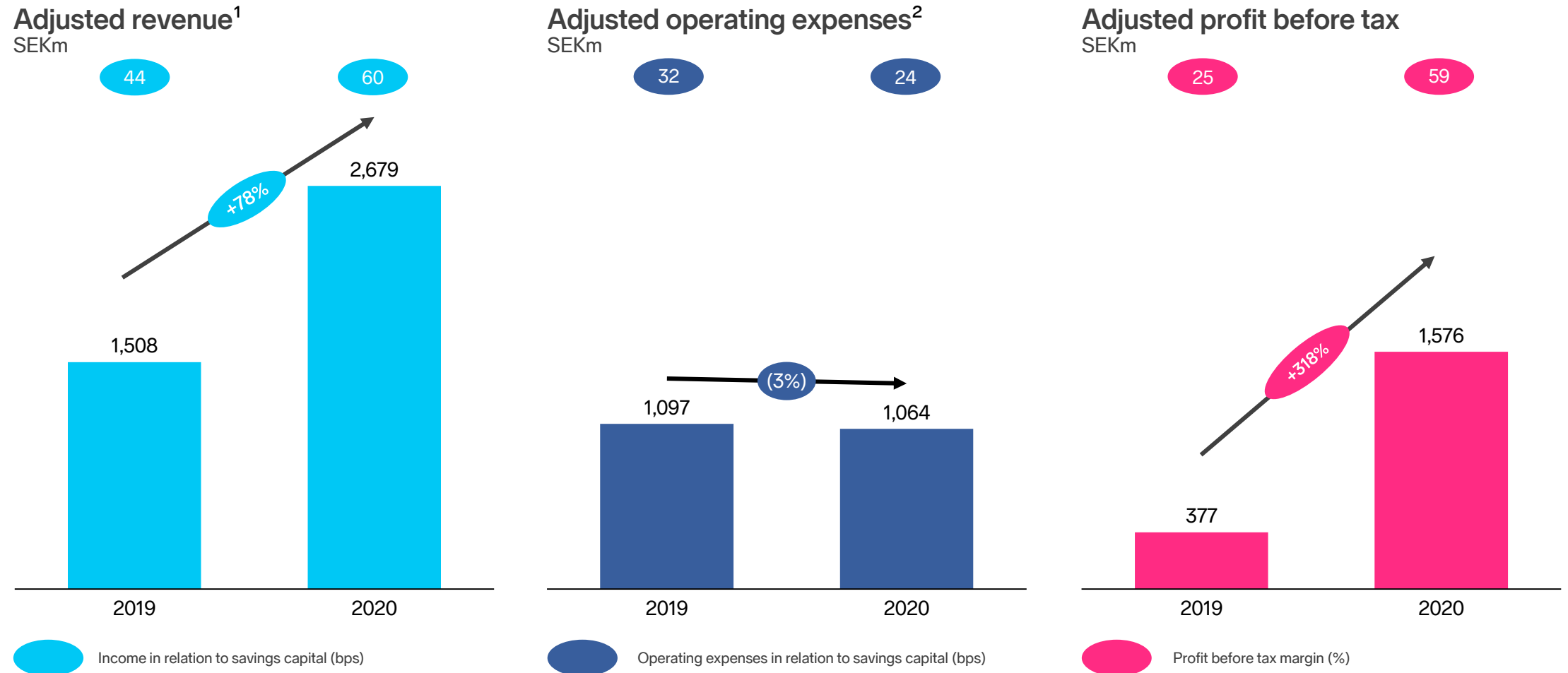
...with slight decrease in operating expenses over the same period...

Adjusted operating expenses
SEKm



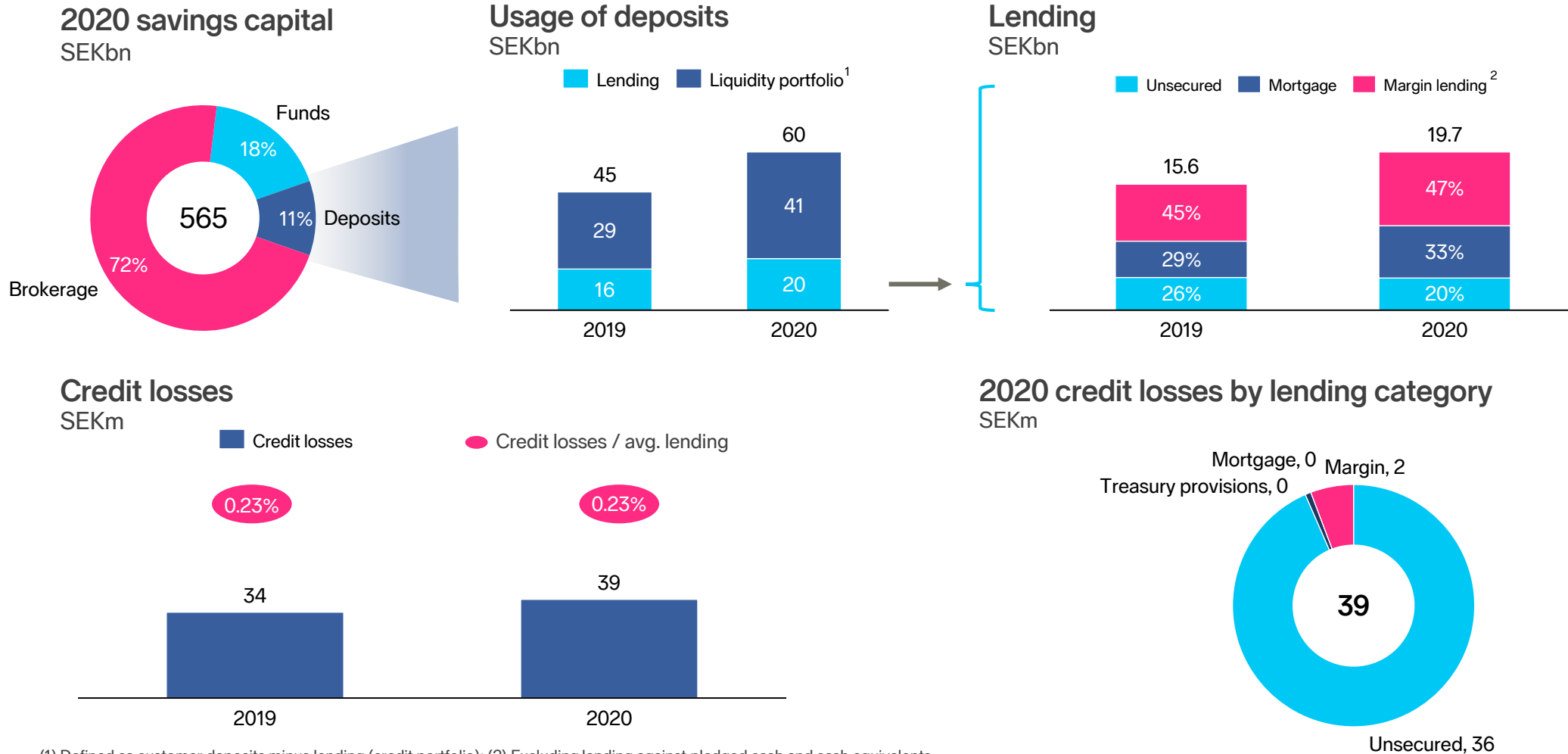
Note: Refer to page 26/27 for additional detail on items affecting comparability

...resulting in considerable operating leverage



(1) Adjusted revenues in accordance with reconciliation on page 26/27 deducting SEK66m in 2019; (2) Adjusted operating expenses in accordance with reconciliation on page 26/27, subtracting SEK65m in 2019 and SEK129m in 2020. Includes amortisation of PPA intangibles and excludes credit losses

High quality loan portfolio with loan losses remaining at very low levels



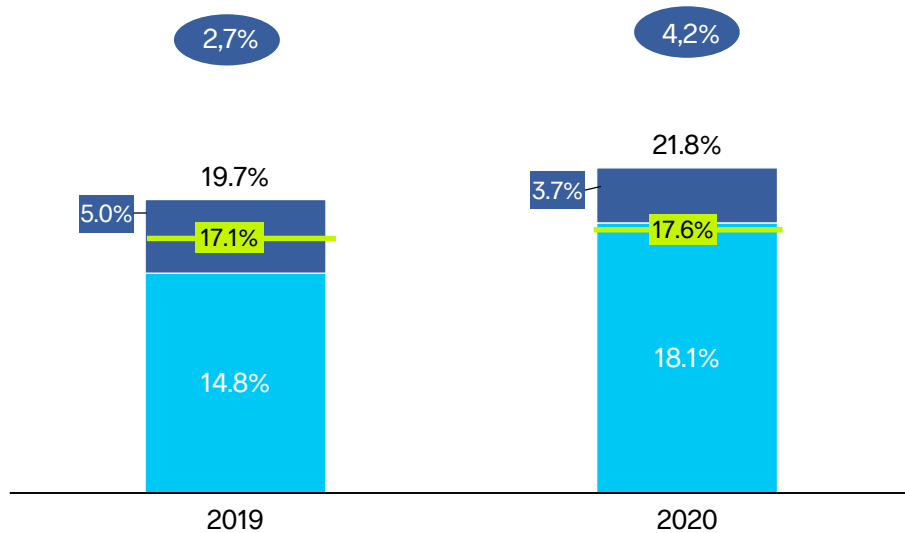
(1) Defined as customer deposits minus lending (credit portfolio); (2) Excluding lending against pledged cash and cash equivalents

Robust capital position

Total capital ratio

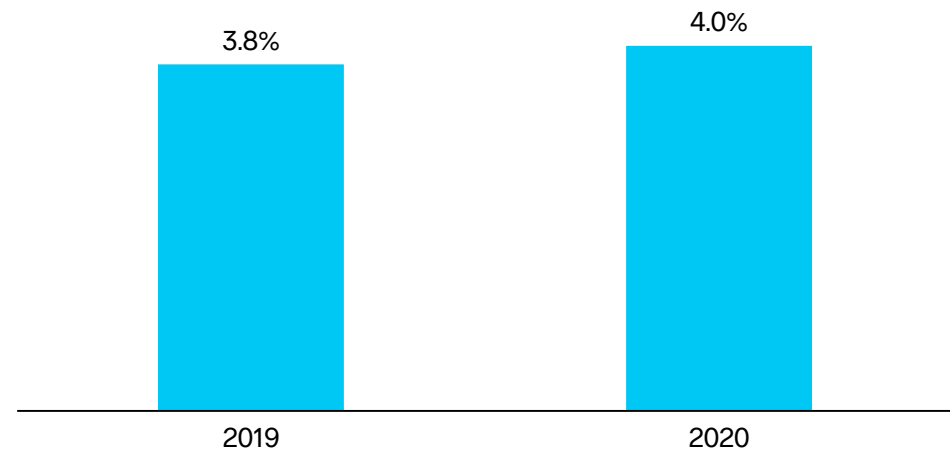
%

- Capital requirement
- CET1 ratio
- Additional Tier 1 ratio
- Buffer over total capital requirement



Leverage ratio

%



Monthly statistics January 2021

	January 2021 ¹	December 2020	Change one month	January 2020	Change one year
Savings & customers					
Number of customers	1,287,300	1,221,500	5.4%	931,800	38.2%
Net savings (SEK billion)	10.9	9.5	14.4%	6.0	81.2%
Savings capital (SEK billion)	594	565	5.2%	409	45.3%
Lending (SEK billion)					
Margin lending ²	9.8	9.2	6.3%	7.2	34.7%
Mortgages	6.6	6.5	2.4%	4.6	44.0%
Personal loans	4.0	4.0	0.2%	4.1	(1.6%)
Total lending	20.4	19.7	3.8%	15.9	28.1%
Number of trades³					
Sweden	2,430,900	1,951,000	24.6%	1,535,900	58.3%
Norway	2,064,000	1,553,900	32.8%	674,200	206.1%
Denmark	1,675,000	1,104,400	51.7%	532,600	214.5%
Finland	1,434,500	1,092,500	31.3%	708,300	102.5%
Total	7,604,400	5,701,800	33.4%	3,451,000	120.4%
Average per day	411,000	285,100	44.2%	164,300	150.2%

(1) The numbers for January 2021 are preliminary;

(2) Lending excluding pledged cash and cash equivalents;

(3) Nordnet's total trades on all exchanges and market places for all customers, and average number of trades per day. Average number of trades per day is calculated as total trades divided by the number of days the Swedish stock exchange is open

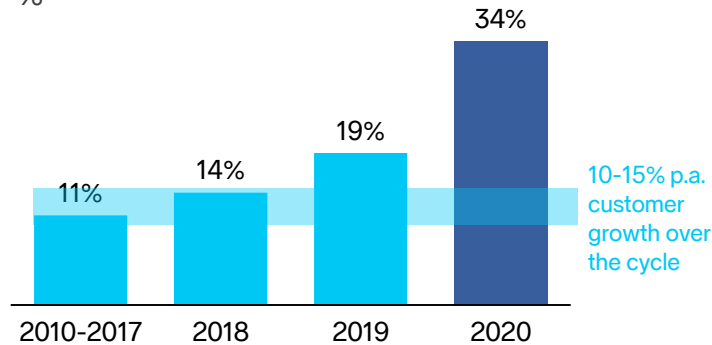
Financial performance vs. financial targets

Target

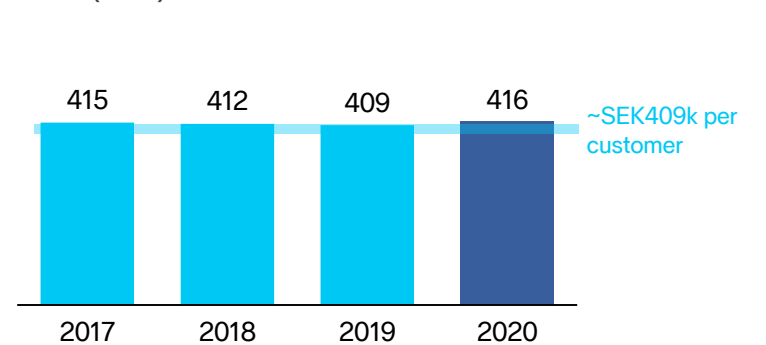
Customer satisfaction NPS



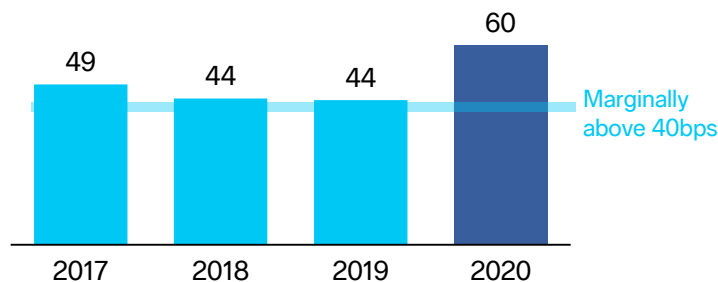
Customer growth %



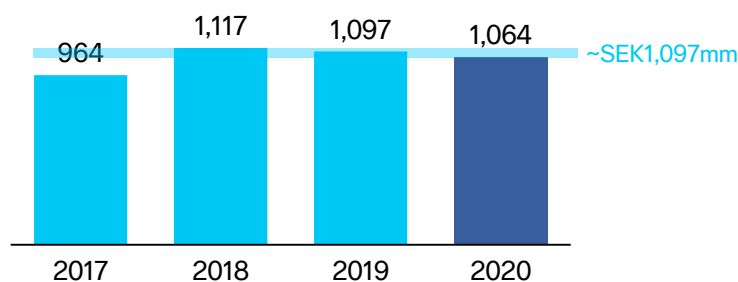
Average savings capital per customer¹ SEK ('000)



Income in relation to savings capital² bps



Adjusted operating expenses³ SEKm



Dividend payout ratio %

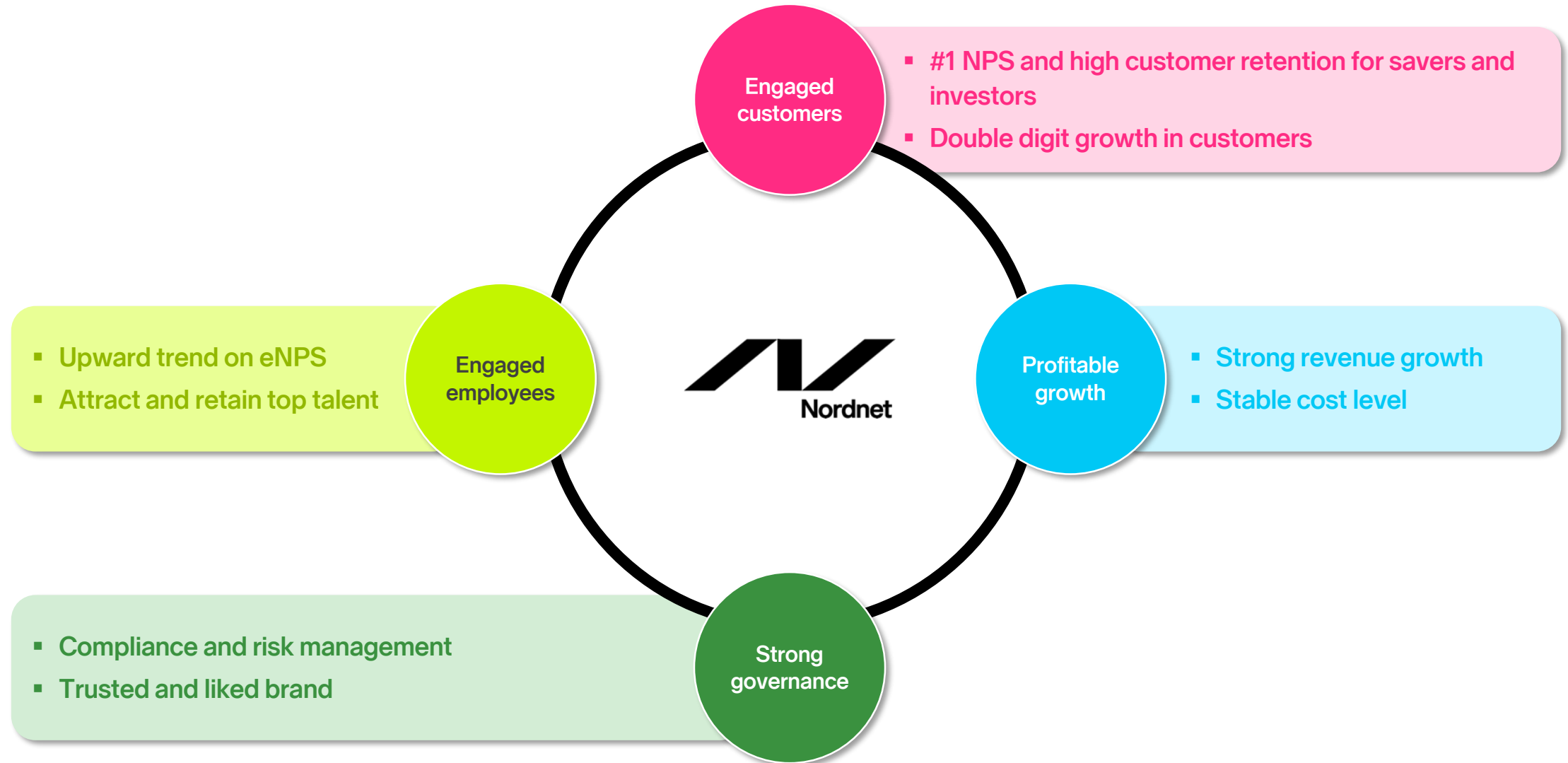
“Deliver superior total returns to shareholders via a pay-out ratio of at least 70% of statutory net income”

(1) Average quarterly savings capital per customer over the last twelve months; (2) Adjusted revenues in the last twelve months divided by the average quarterly savings capital over the same period in accordance with reconciliation on page 27 deducting SEK66m in 2019; (3) Adjusted operating expenses in accordance with reconciliation on page 26/27, subtracting SEK45m in 2017, SEK16m in 2018, SEK65m in 2019 and SEK129m in 2020. Includes amortisation of PPA intangibles and excludes credit losses

Dividend

- Nordnet propose a dividend of 1.51 SEK per share corresponding to 25% of 2019 and 2020 year's net profit, which is aligned with Finansinspektionen's (SFSA) recommendation that the Banks shall be careful regarding their dividends at least until September 30, 2021.
- When the supervisory authorities revise their recommendation for dividend, Nordnet will evaluate the situation regarding further dividend

Key focus areas



Thank you!



Nordnet

Appendix



Summary P&L

SEKm	Q4 2020	Q3 2020	QoQ %	Q4 2019	YoY %	2020	2019	YoY %
Adjusted total income	767	617	24%	428	79%	2 679	1 508	78%
Adjusted operating expenses	(287)	(258)	11%	(295)	(3%)	(1 064)	(1 097)	(3%)
Net credit losses	(7)	(3)	110%	(10)	(27%)	(39)	(34)	15%
Adjusted profit before tax	473	356	33%	123	283%	1 576	377	318%
Items affecting comparability (IAC), income						-	66	(100%)
Items affecting comparability (IAC), expenses	(99)	(19)	425%	(49)	102%	(129)	(65)	98%
Reported profit before tax	374	337	11%	74	404%	1 447	377	283%
Tax	(82)	(59)	38%	(8)	943%	(274)	(38)	622%
Reported net income	292	277	5%	66	341%	1 173	339	245%
Adjusted net income excl. IAC	372	293	27%	106	252%	1 276	326	292%
Adjusted net income excl. IAC and amortisation of intangible assets due to PPA	380	301	26%	115	230%	1 311	369	255%

Note: Refer to page 27 for additional detail on items affecting comparability

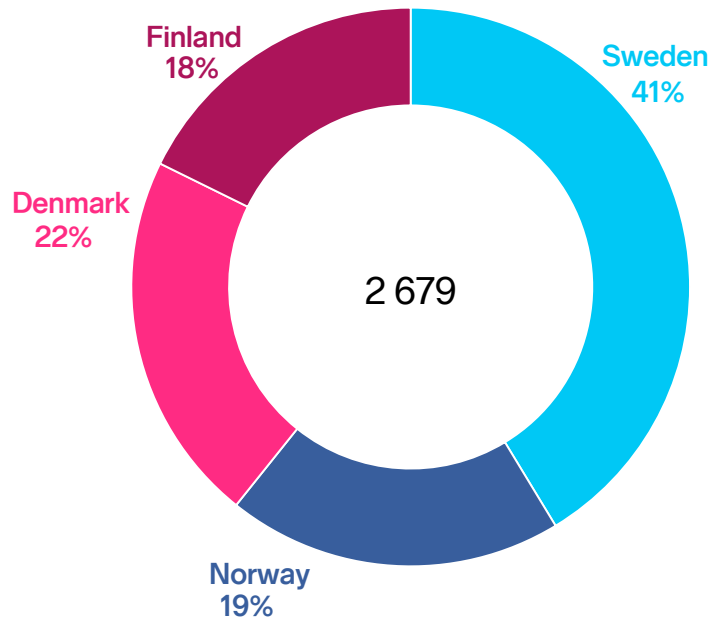
Items affecting comparability

SEKm	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2020	FY 2019
Non-recurring items – Expenses										
Acquisition of Netfonds	-	-	-	-	(19)	(2)	(8)	(6)	-	(35)
Deduction right VAT	-	(9)	(11)	-	(30)	-	-	-	(20)	(30)
IPO related expenses	(99)	(10)	-	-	-	-	-	-	(109)	-
Non-recurring items – Income										
Revaluation of the shareholdings in Tink AB	-	-	-	-	-	-	-	66	-	66
Total	(99)	(19)	(11)	-	(49)	(2)	(8)	60	(129)	1

Only pan-Nordic digital savings and investment platform at scale

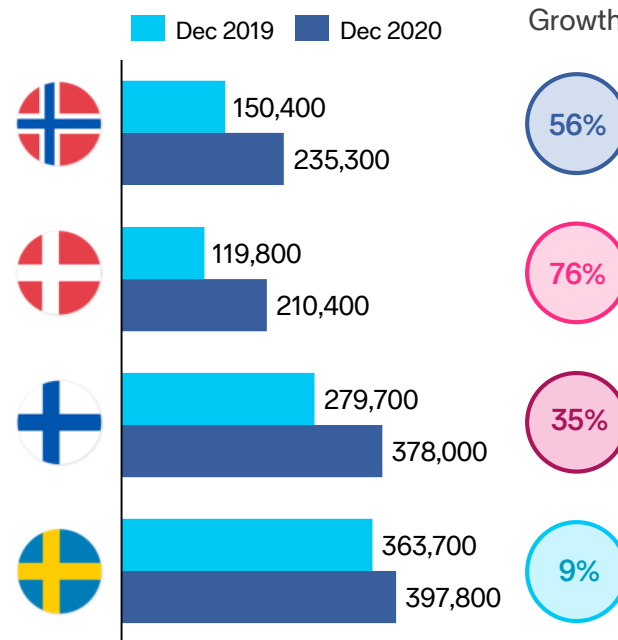
Sweden is still the largest market...

Nordnet's FY 2020 revenue by country (%)



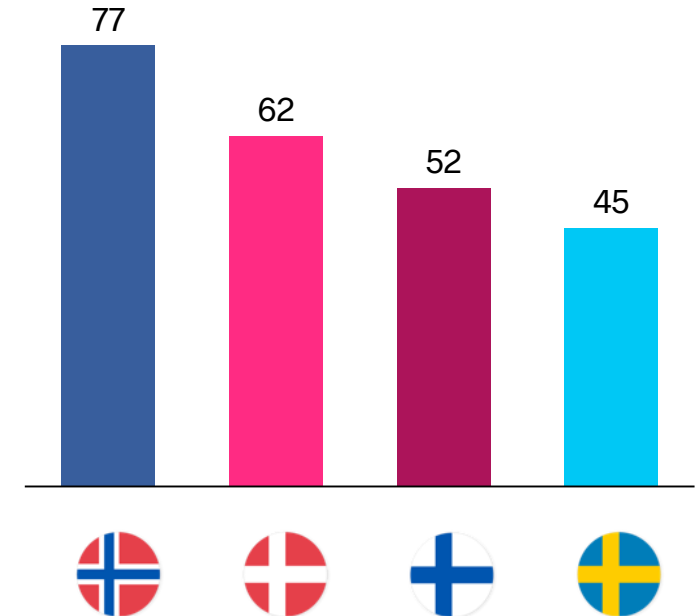
...and other Nordic countries are growing faster...

Nordnet's number of customers by country



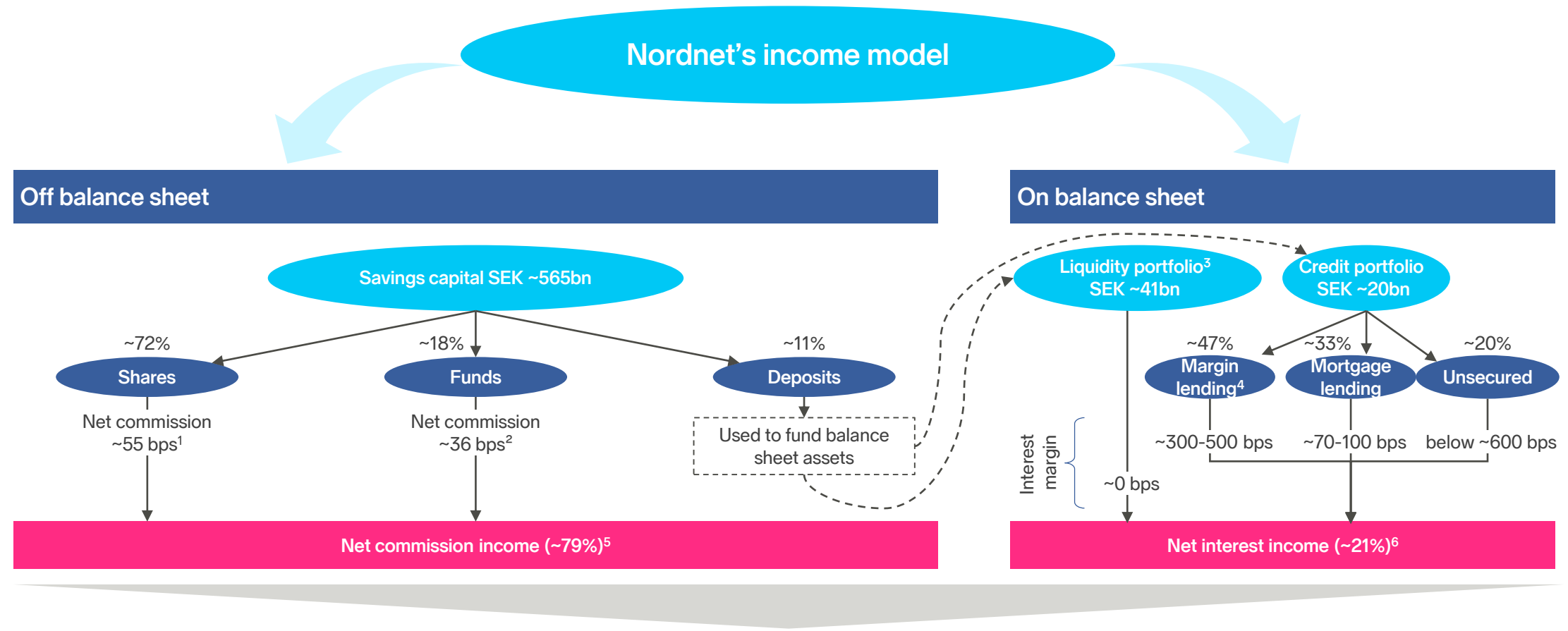
...at higher margins

Revenue margin by country (bps)¹



(1) 2020 revenue (excluding personal loans in Sweden) divided by average quarterly savings capital

Nordnet has a capital light business model



Savings capital is the single most important driver of Nordnet's income

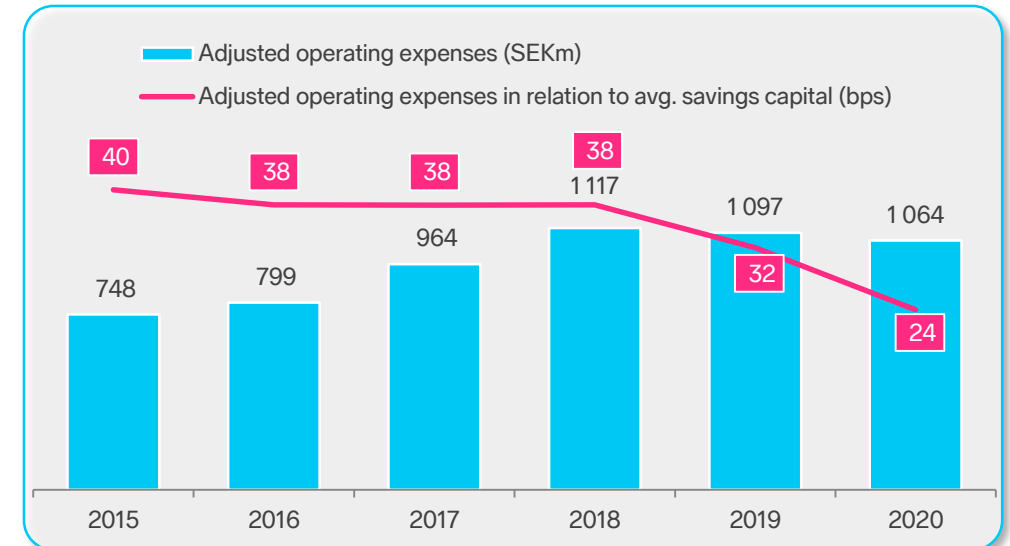
Rigorous focus on cost discipline to drive operating leverage

Key drivers of operating leverage

- ✓ Stringent cost governance
- ✓ Process simplification and automation
- ✓ Shift from consultants to employees
- ✓ Third party spend

Increase in tech spend to ensure scalability going forward

Adjusted operating expenses¹ in absolute terms and in relation to avg. savings capital (bps)²



(1) Adjusted operating expenses in accordance with reconciliation on page 27, subtracting SEK45m in 2017, SEK16m in 2018, SEK65m in 2019 and SEK129m in 2020. Includes amortisation of PPA intangibles and excludes credit losses;

(2) Based on quarterly average savings capital over the period

Share of trading per application

Distribution of trades per application

