

# Q3 results 2021



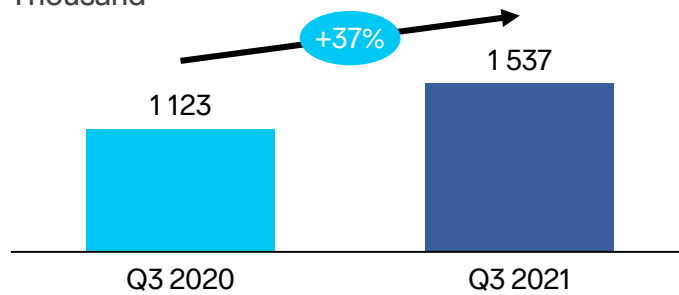
Nordnet

# Key highlights third quarter 2021

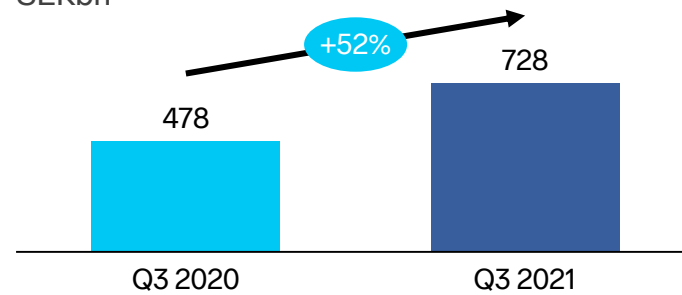
- Nordnet is turning 25 years – from a small Swedish online broker to the leading Nordic digital platform for savings & investments
- More than 60,000 new customers during the third quarter, annual customer growth of 37 percent
- New record levels for savings capital and lending
- Higher revenues and stable cost level lead to an adjusted profit increase with over 40 percent
- Nordnet is the first fund platform in the Nordics to include information from EU's disclosure regulation about sustainable funds, article 8 and 9
- Application to start a fund company submitted to the Swedish FSA
- Nordnet receives the prestigious Red Dot Design Award in the category "Finance apps"

# Financial highlights third quarter 2021

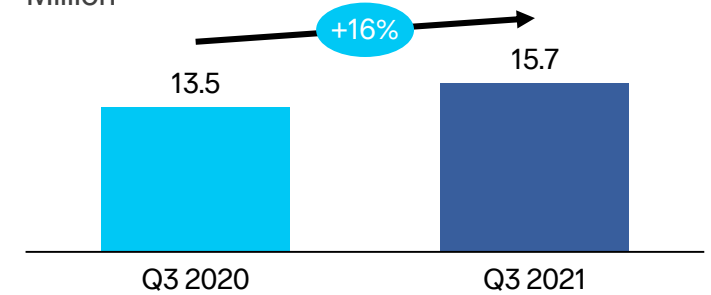
**Customers**  
Thousand



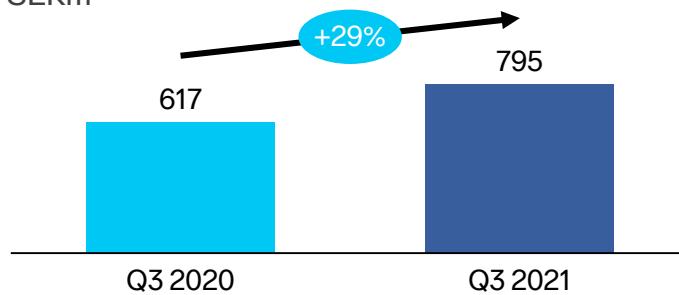
**Savings capital**  
SEKbn



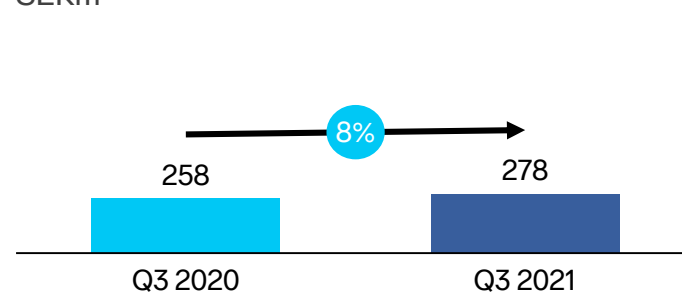
**Number of trades**  
Million



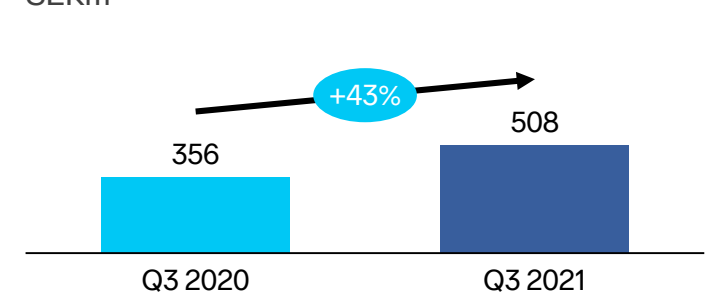
**Adjusted revenues**  
SEKm<sup>1</sup>



**Adjusted operating expenses**  
SEKm<sup>1</sup>



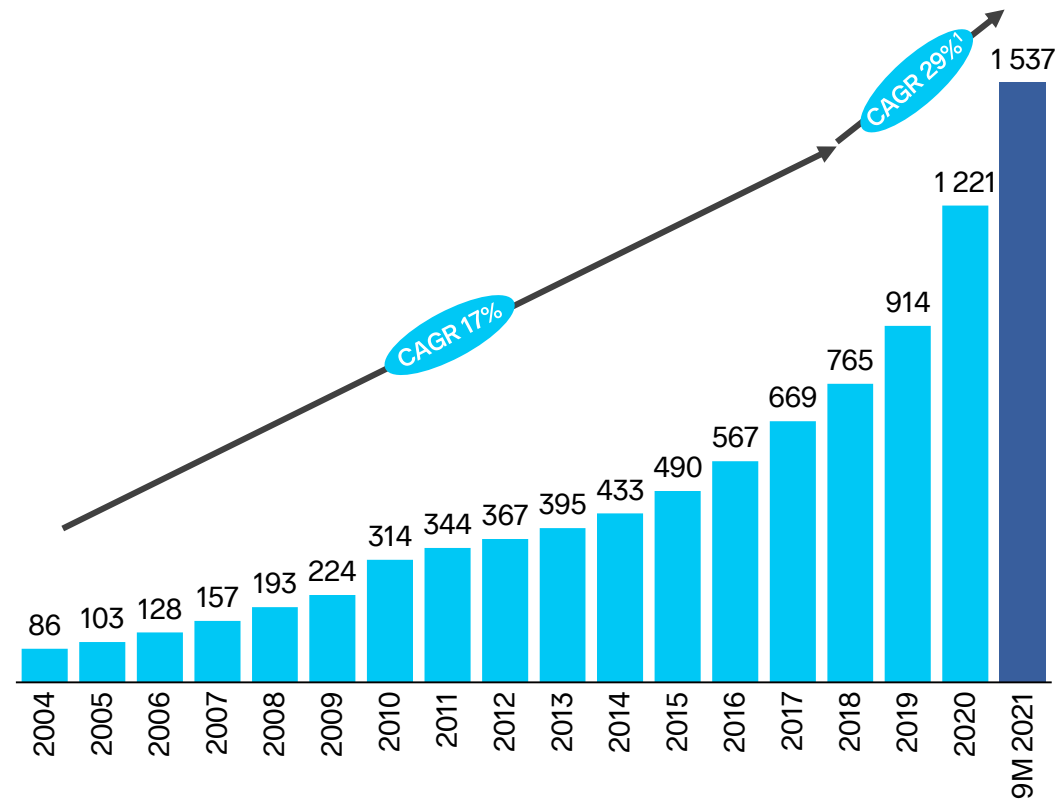
**Adjusted profit before tax**  
SEKm<sup>1</sup>



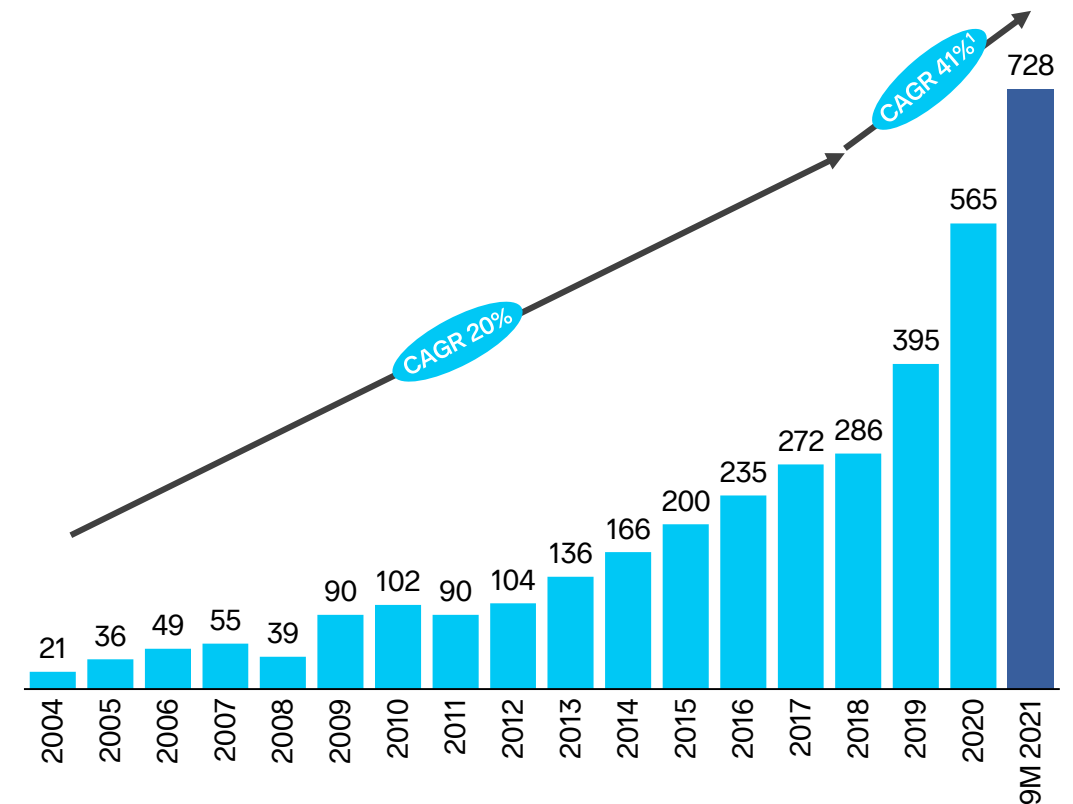
(1) Refer to page 29 for additional detail on items affecting comparability

# Continued acceleration of long-term growth

**Customers**  
Thousand



**Savings capital**  
SEKbn

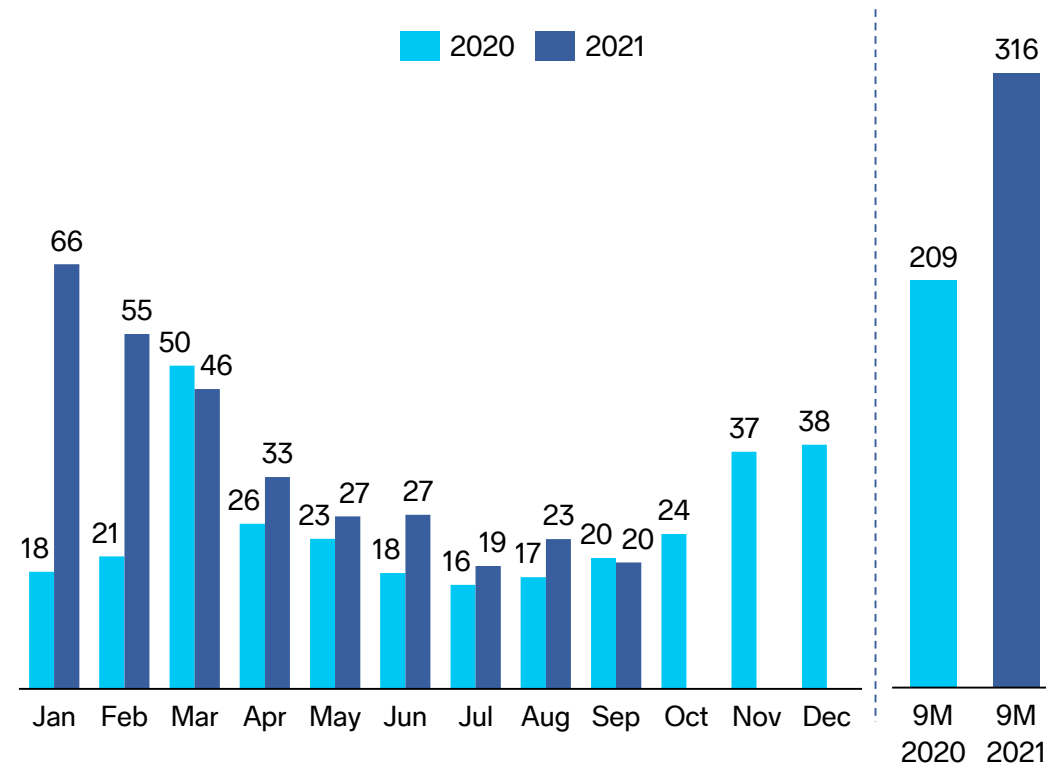


(1) Adjusting for the acquisition of Netfonds (contributing ~32,000 customers / SEK15bn in savings capital), the CAGRs would have been 28% for customers and 39% for savings capital, respectively

# Strong customer growth and net savings

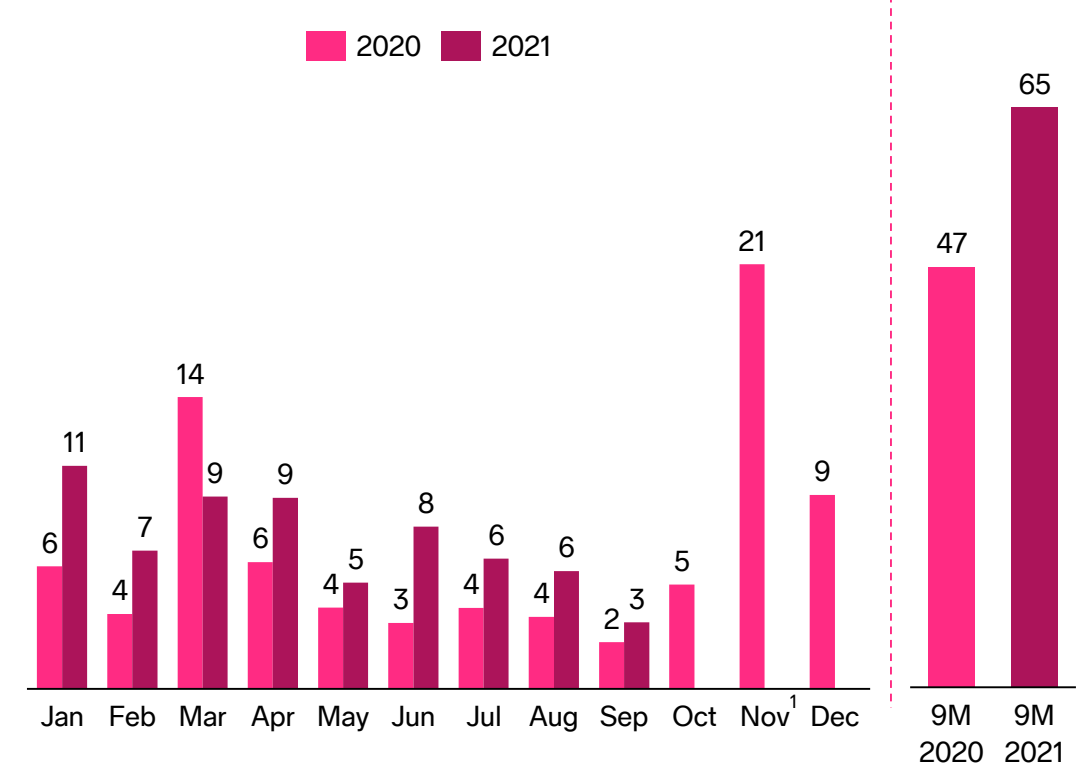
## New customers by month

Thousand



## Net savings per month

SEKbn



(1) 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

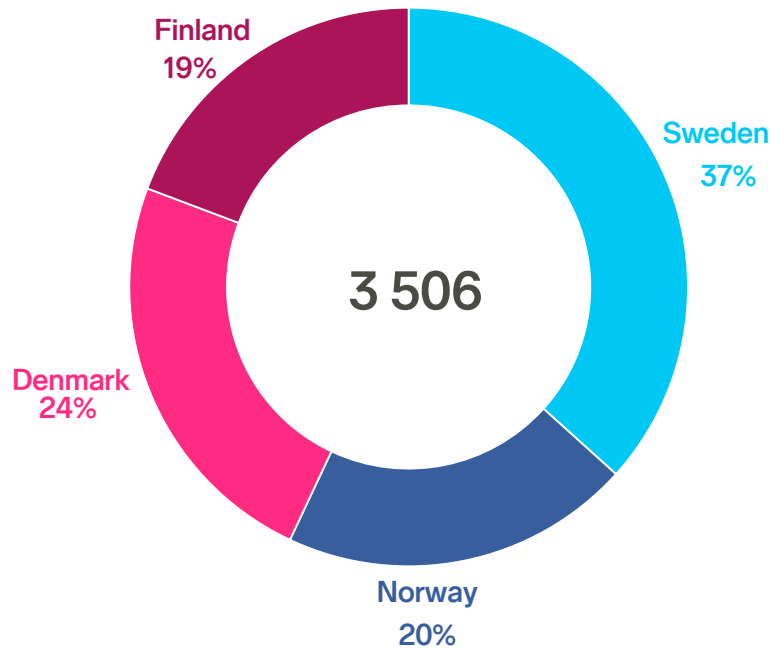
# Customer clean up

- Nordnet has more than 1.5 million customers and for a small part of those we have incomplete KYC information, mainly older customers which are inactive and with limited savings capital
- The customers with incomplete KYC have been blocked from trading since before but new guidelines from the SFSA stipulates that we need to terminate the customers unless they complete their KYC data
- We don't see any material impact on our revenues and profitability from this measure but we will see an impact on the customer base
- At most 75 000 customers and SEK 7.9 billion will be impacted
- The project to terminate customers with incomplete KYC has started in September and will be completed first half of 2022 when we will also update on the final impact on customers and savings capital

# Only pan-Nordic digital savings and investment platform at scale

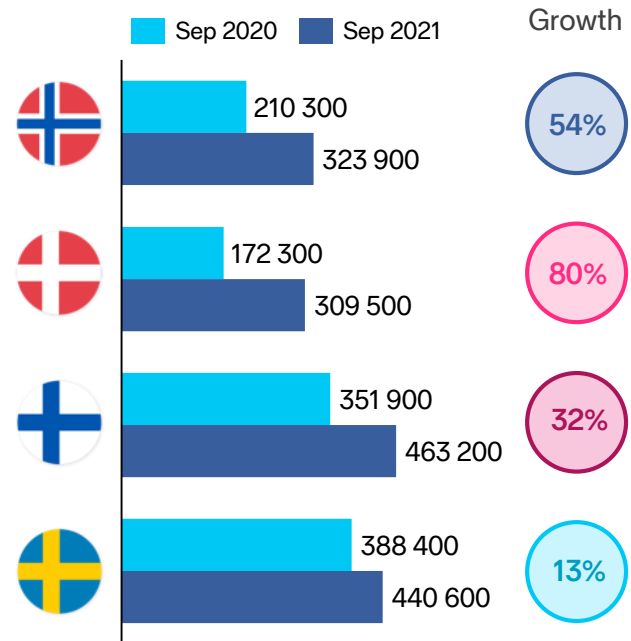
## Sweden is still the largest market...

Nordnet's LTM 9M 2021 revenue by country (%)  
SEKm



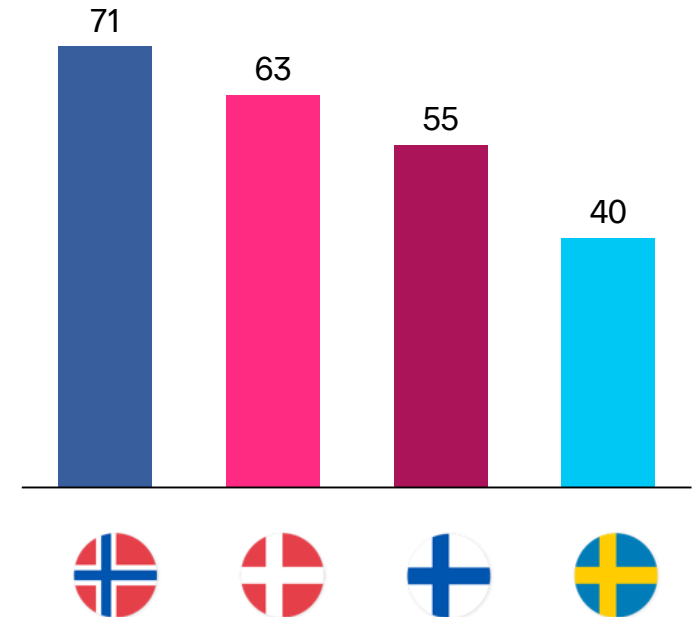
## ...and other Nordic countries are growing faster...

Nordnet's number of customers by country



## ...at higher margins

Revenue margin by country (bps)<sup>1</sup>

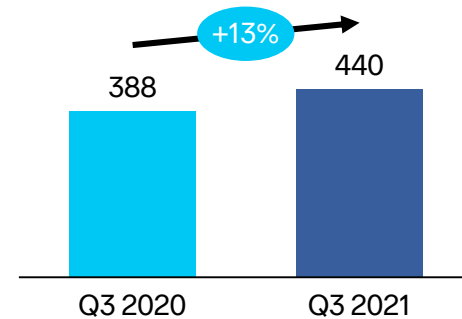


(1) LTM 9M 2021 revenue (excluding personal loans in Sweden) divided by average quarterly savings capital

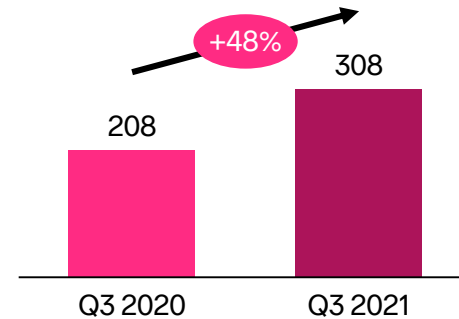
# Continued strong customer and savings capital growth across our geographies

## Sweden

Customers  
Thousand

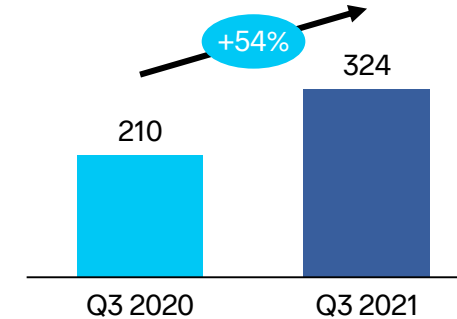


Savings capital  
SEKbn

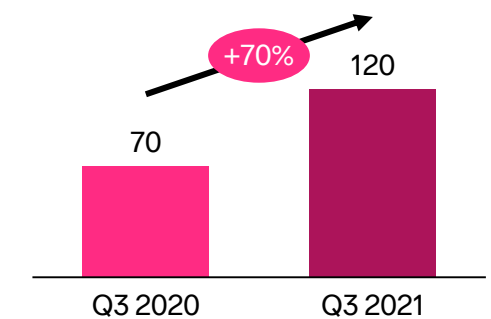


## Norway

Customers  
Thousand

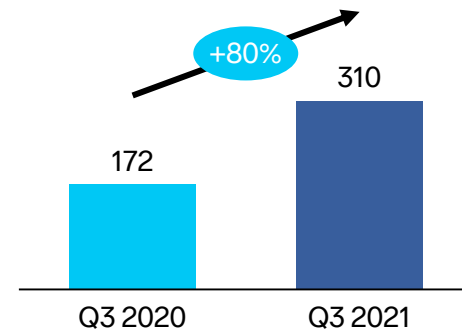


Savings capital  
SEKbn

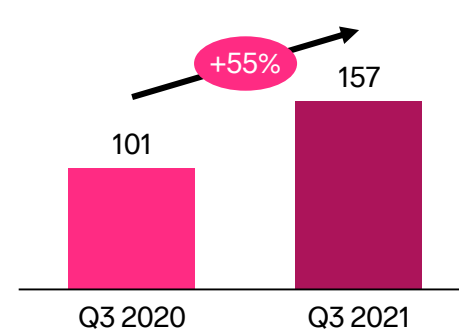


## Denmark

Customers  
Thousand

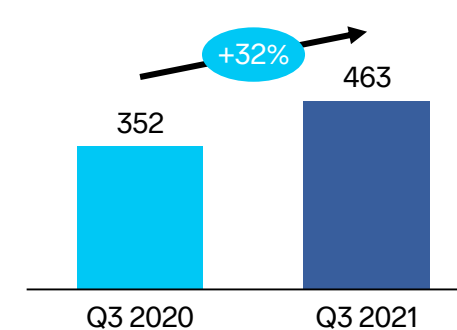


Savings capital  
SEKbn

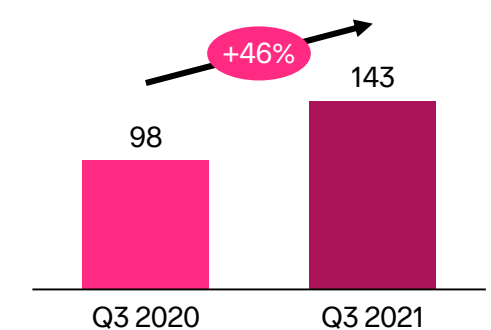


## Finland

Customers  
Thousand



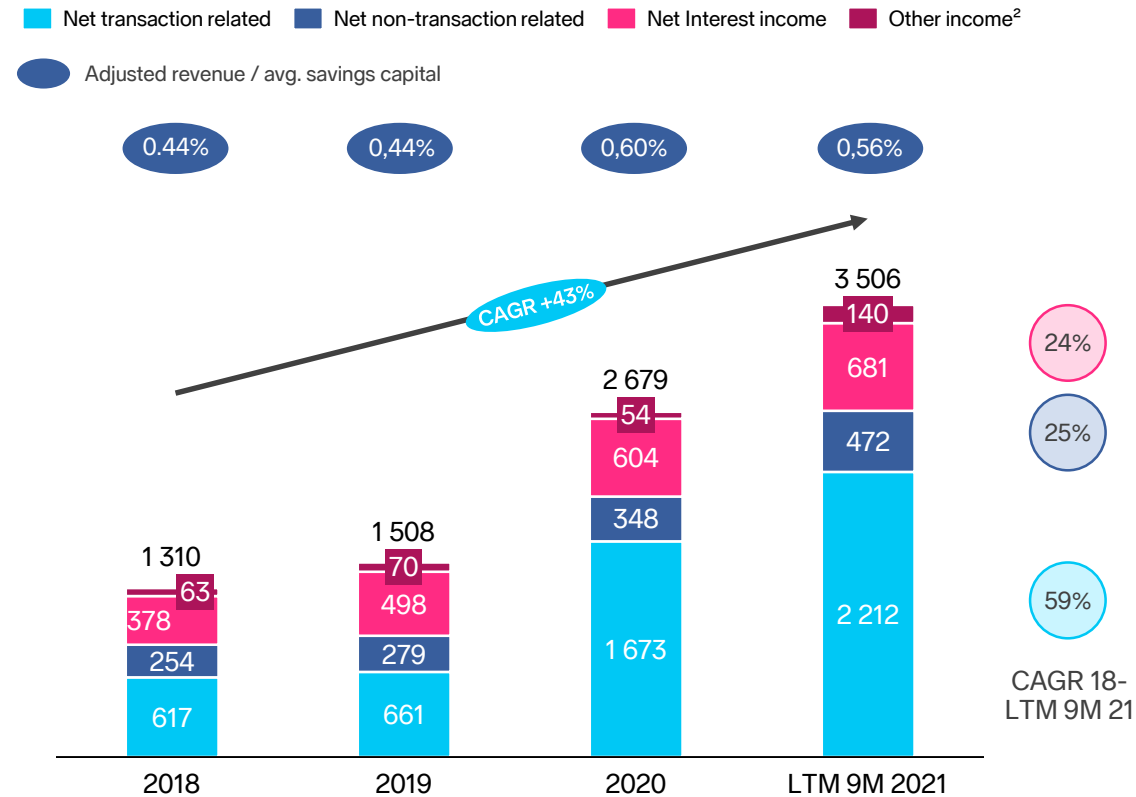
Savings capital  
SEKbn



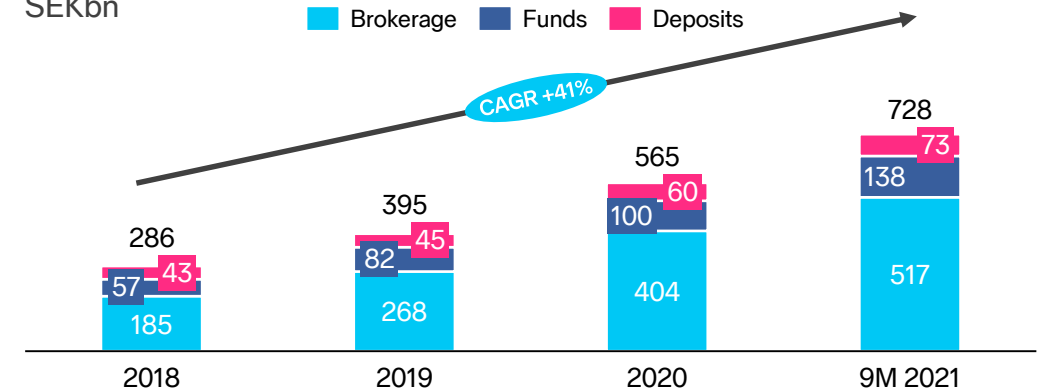


# Strong revenue growth driven by higher savings capital and resilient margins

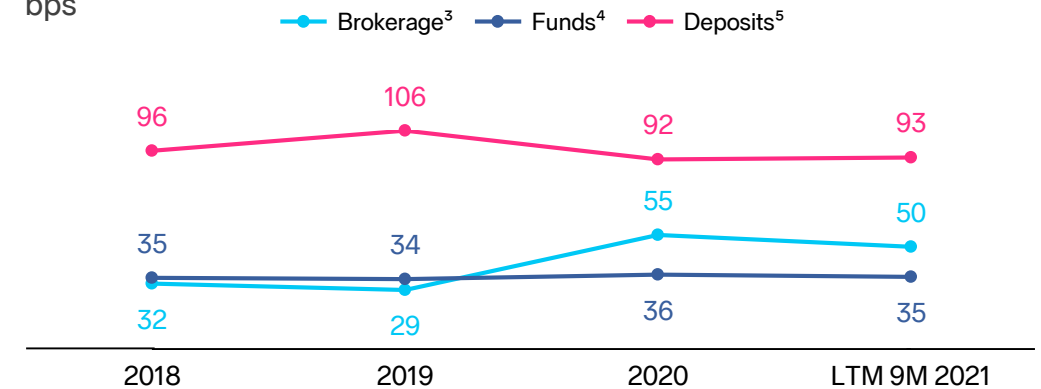
Adjusted revenue by income type  
SEKm<sup>1</sup>



Savings capital by product  
SEKbn



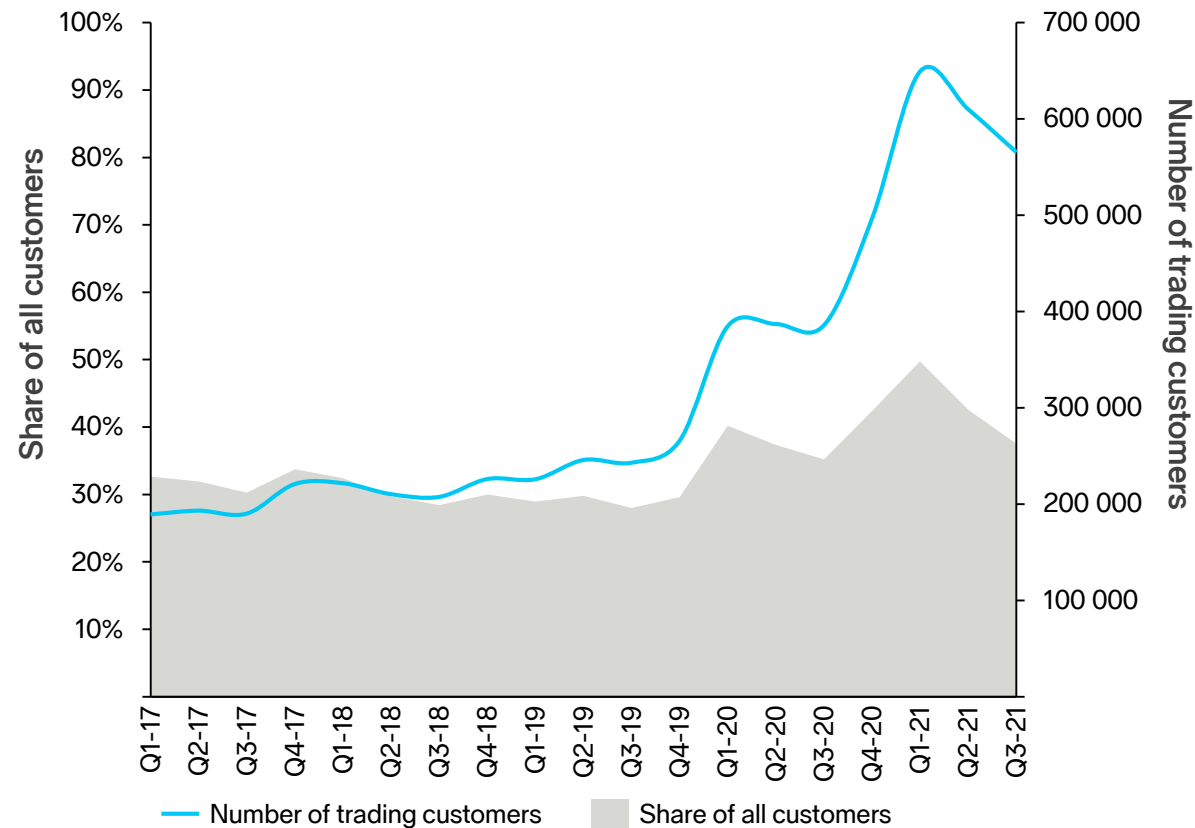
Revenue margin by product  
bps



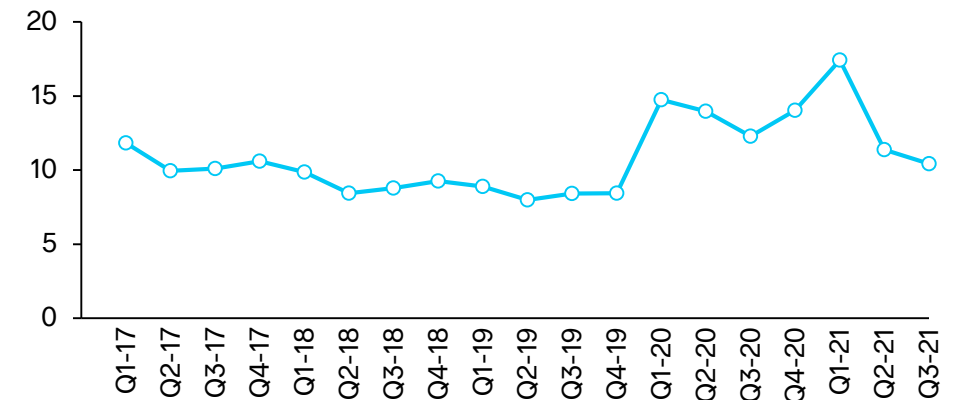
(1) Refer to page 29 for additional detail on items affecting comparability; (2) Includes net financial transactions; (3) Net transaction related income divided by average quarterly brokerage savings capital; (4) Net non-transaction related income excluding income from Nordnet Markets divided by average quarterly fund savings capital; (5) Net interest income excluding income related to securities lending divided by average quarterly deposits

# Significant growth in number of trading customers with an increased interest for cross-border trading

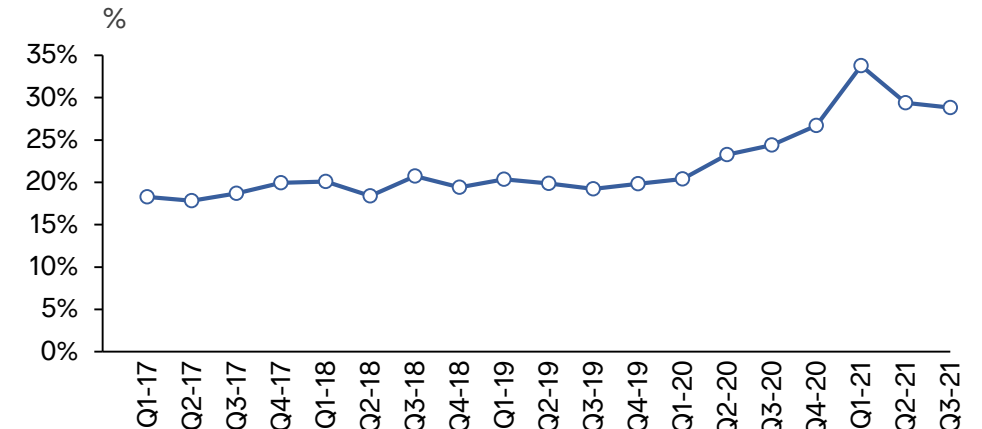
Trading customers



Trades per trading customer



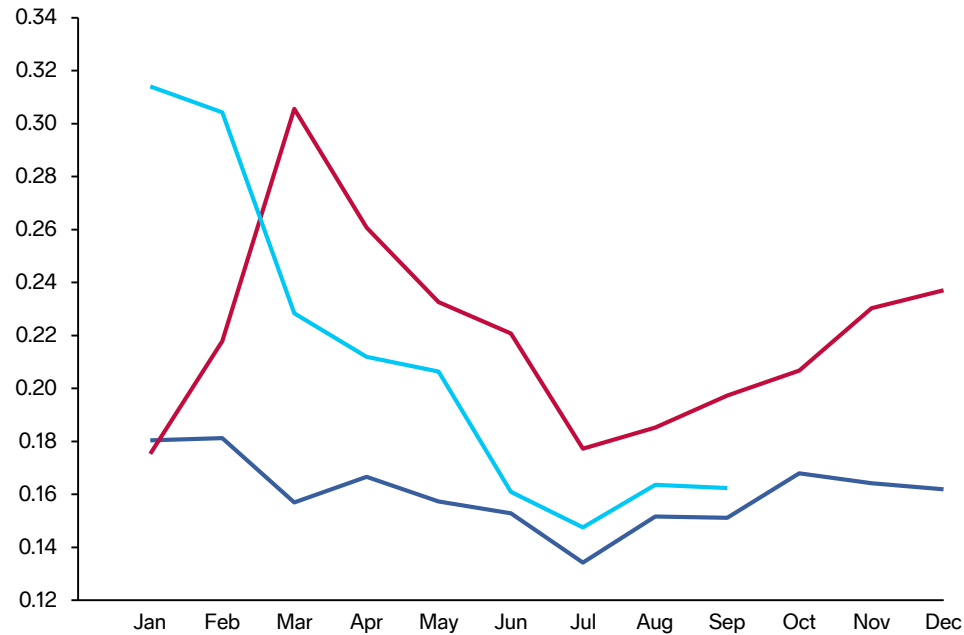
Share of cross-border trades



# Trading seasonality shows a clear V-shape

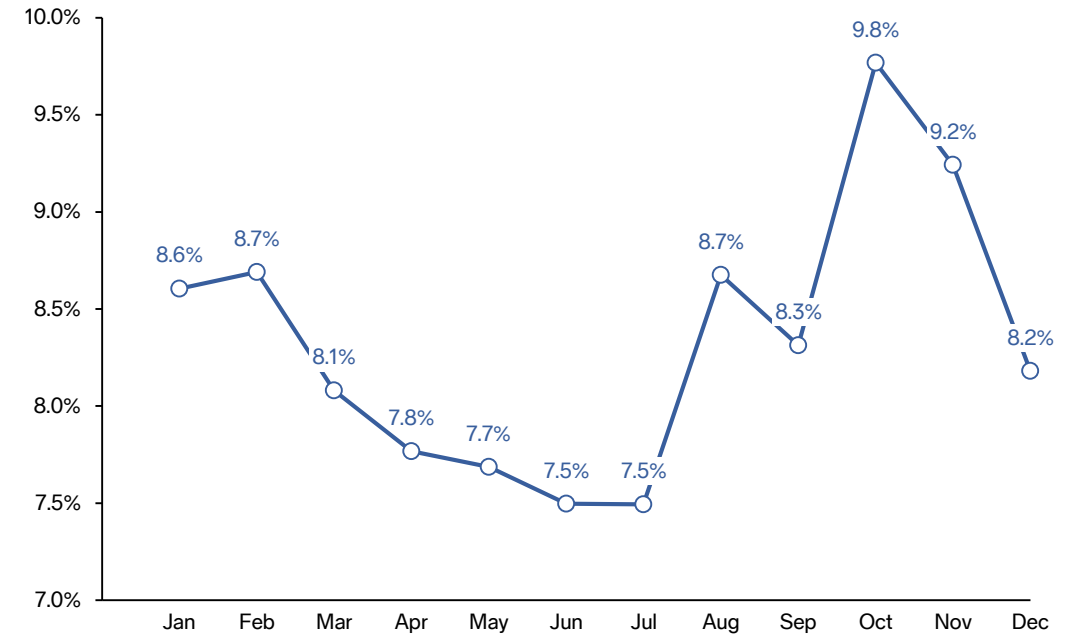
Trades per customer per trading day

— 2015-2019 — 2020 — 2021



Share of full year trades per month

—○— 2015-2019



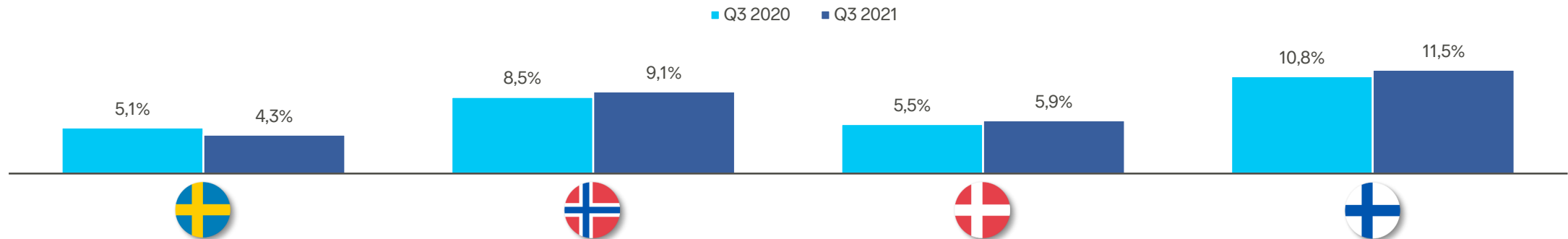
# Strong customer satisfaction driving market share gains

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<sup>1</sup> on the relevant exchange (%)



Source: Nasdaq OMX Stockholm, Copenhagen and Helsinki as well as Oslo Børs.

(1): For Norway, market share reflects turnover volume and not number of trades due to lack of relevant data

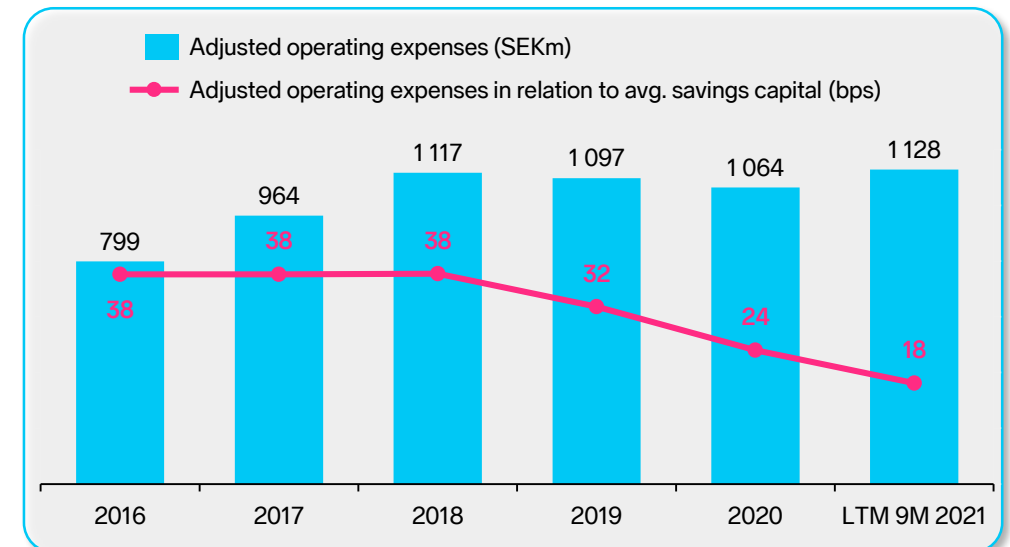
# Rigorous focus on cost discipline to drive operating leverage

## Key drivers of operating leverage

- ✓ Stringent cost governance
- ✓ Process simplification and automation
- ✓ “Word-of-mouth” marketing
- ✓ Third party spend

## Operating leverage drives improvement in cost margin

Adjusted operating expenses<sup>1</sup> in absolute terms and in relation to avg. savings capital (bps)<sup>2</sup>



(1) Adjusted operating expenses; subtracting SEK16m in 2018, SEK65m in 2019, SEK129m in 2020 and SEK99m in LTM 9M 2021. Adjusted operating expenses includes amortisation of PPA intangibles and excludes credit losses.

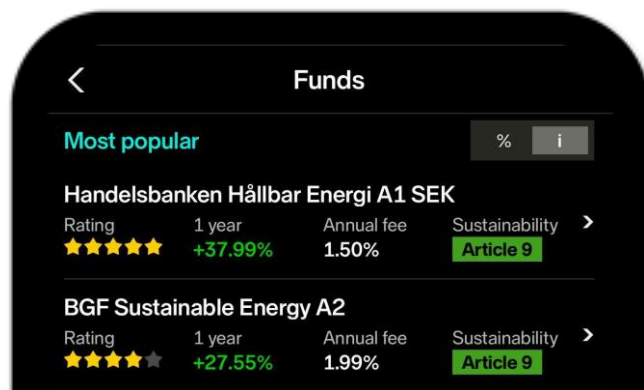
(2) Based on quarterly average savings capital over the period



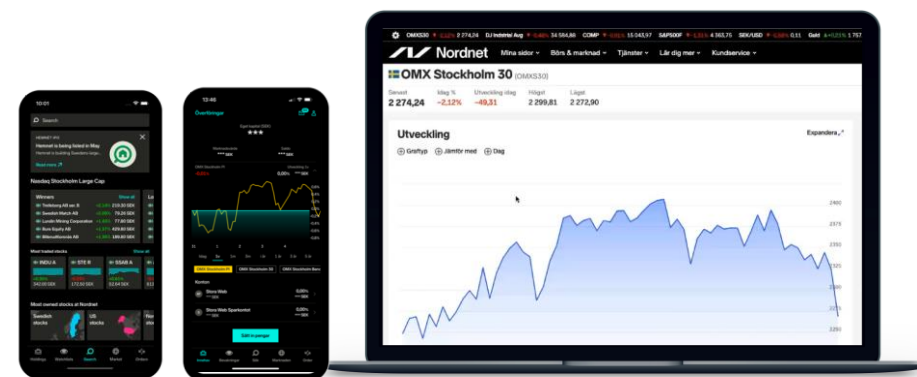
# Select Q3 2021 product highlights

reddot winner 2021

First Nordic platform with Article 8/9 sustainability ratings for funds



Improvements and new features in web and app



Own fund company application

## Nordnet starts fund company in bid to control entire value chain

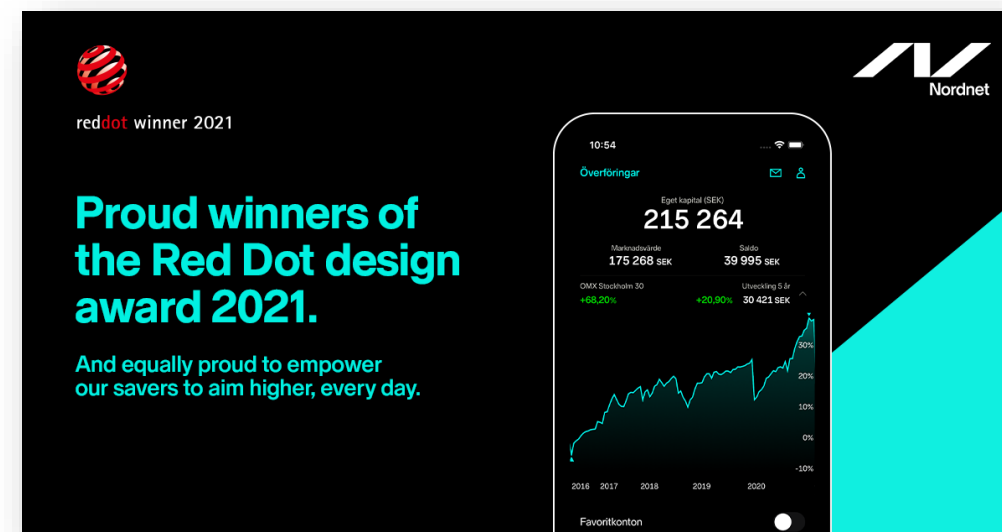
The online bank and platform will launch a mix of active and passive products but will also listen to the savings needs of its customers, CEO Lars-Åke Norling tells AMWatch. The new fund company has already recruited a CEO and finalized its board composition.



Nordnet CEO Lars-Åke Norling | Photo: PR/Nordnet



Nordnet apps win Red Dot design award





# Financial performance

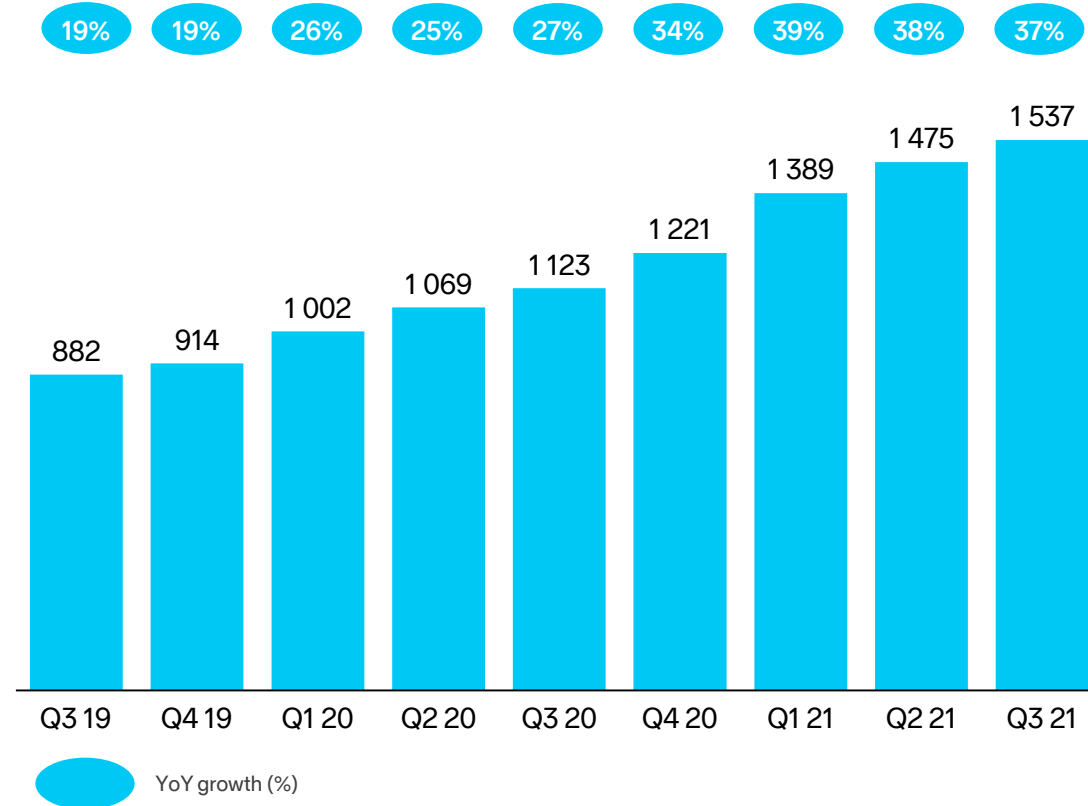
 Nordnet



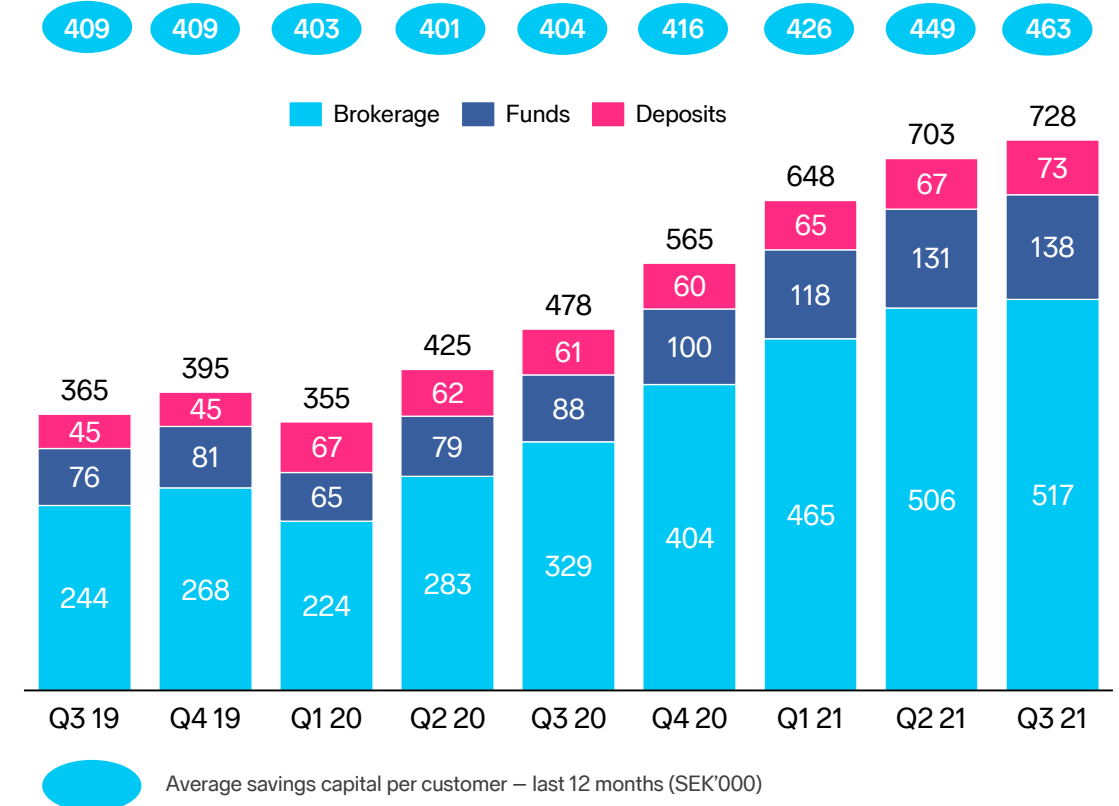
Nordnet

# Strong momentum in customer and savings capital development

Customers  
Thousands



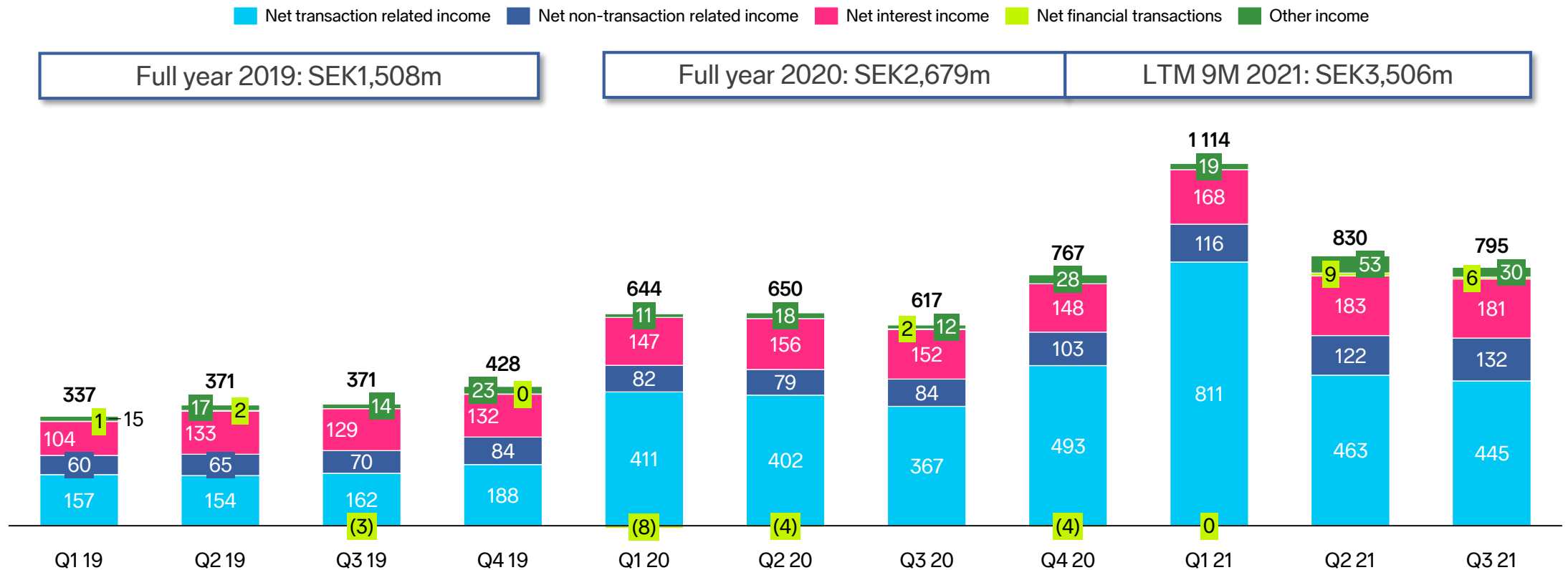
Savings capital by asset class  
SEKbn





# Step change in all major income streams...

## Adjusted revenue by income stream SEKm



Note: Refer to page 29 for additional detail on items affecting comparability

# ...with stable operating expenses...

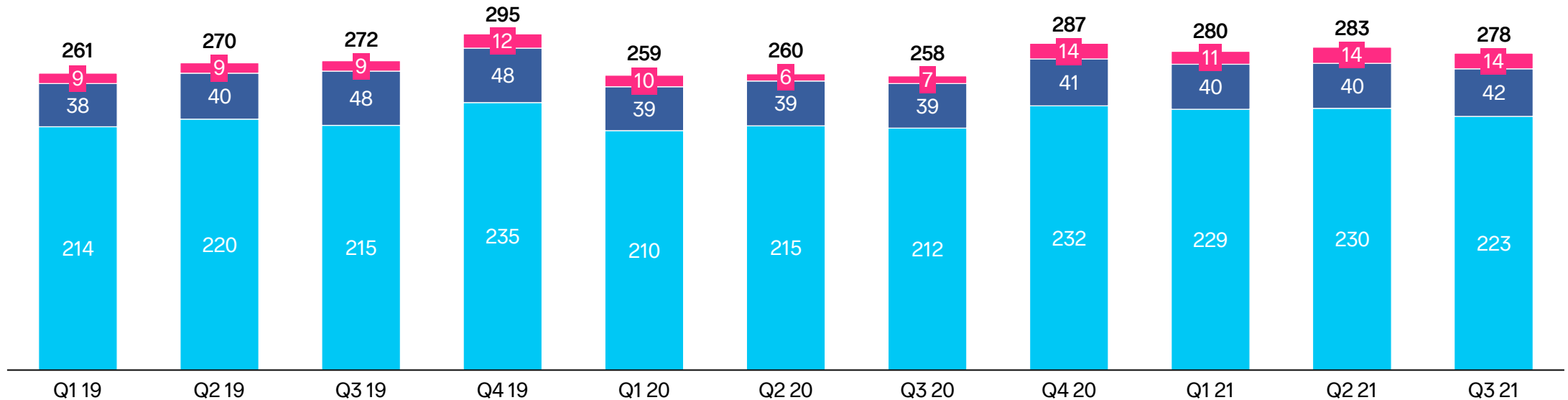
## Adjusted operating expenses SEKm

General administrative expenses Depreciation and amortisation Other operating expenses

Full year 2019: SEK1,097m

Full year 2020: SEK1,064m

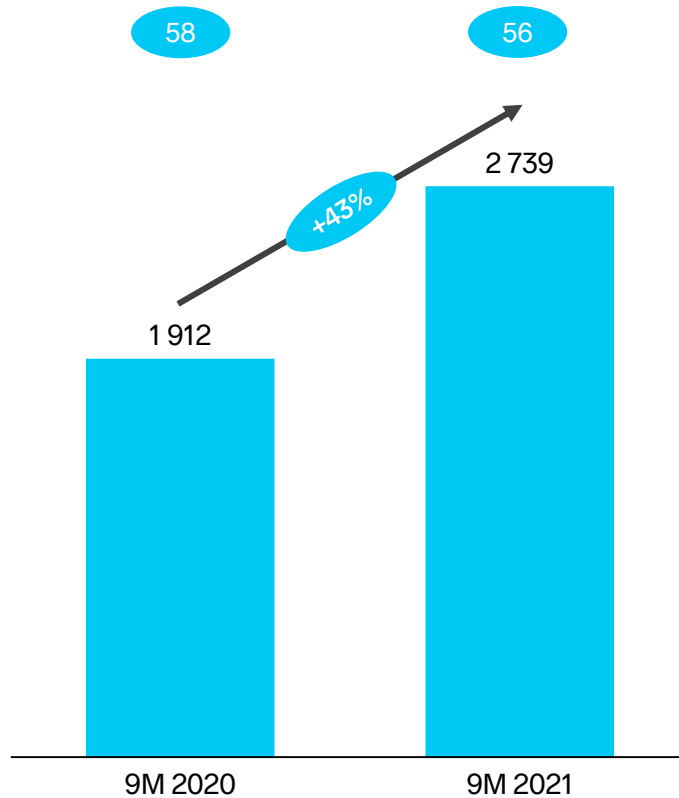
LTM 9M 2021: SEK1,128m



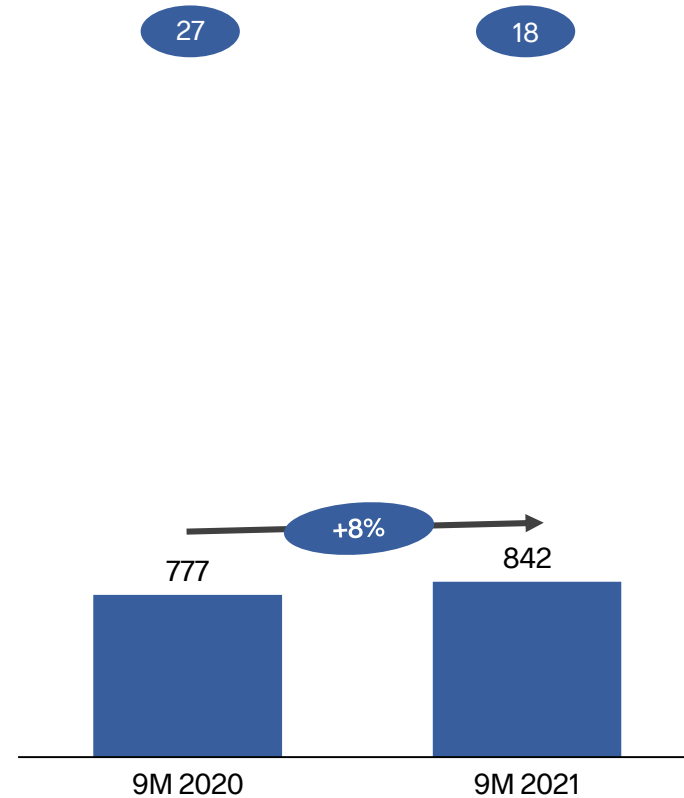
Note: Refer to page 29 for additional detail on items affecting comparability

# ...resulting in considerable operating leverage

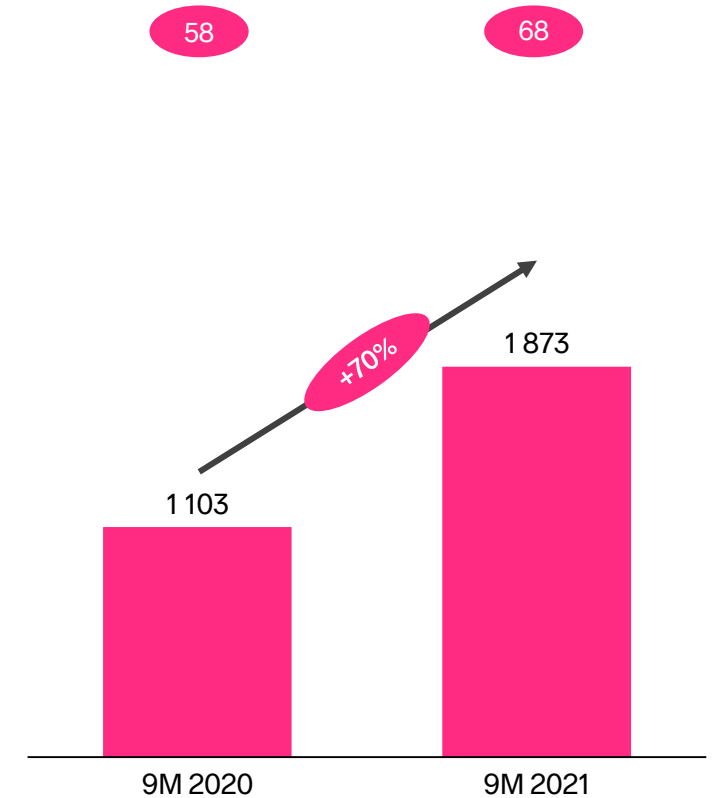
Adjusted revenue  
SEKm




Adjusted operating expenses<sup>3</sup>  
SEKm




Adjusted profit before tax  
SEKm



 Income in relation to savings capital (bps)<sup>1</sup>

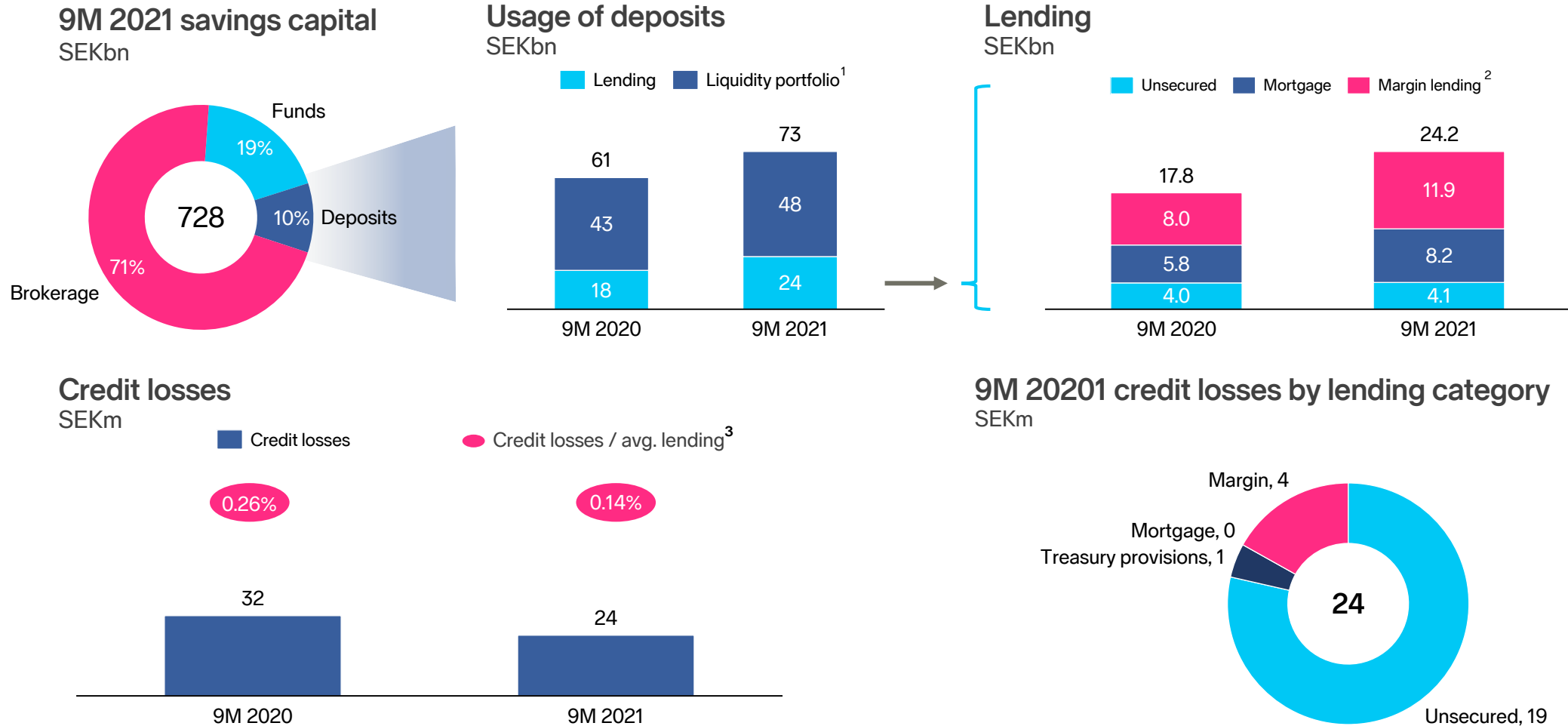
 Operating expenses in relation to savings capital (bps)<sup>2</sup>

 Profit before tax margin (%)

Note: Refer to page 29 for additional detail on items affecting comparability

(1) LTM 9M 2021 income divided by average quarterly savings capital over the period; (2) LTM 9M 2021 adjusted operating expenses divided by average quarterly savings capital over the period; (3) Includes amortisation of PPA intangibles and excludes credit losses

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



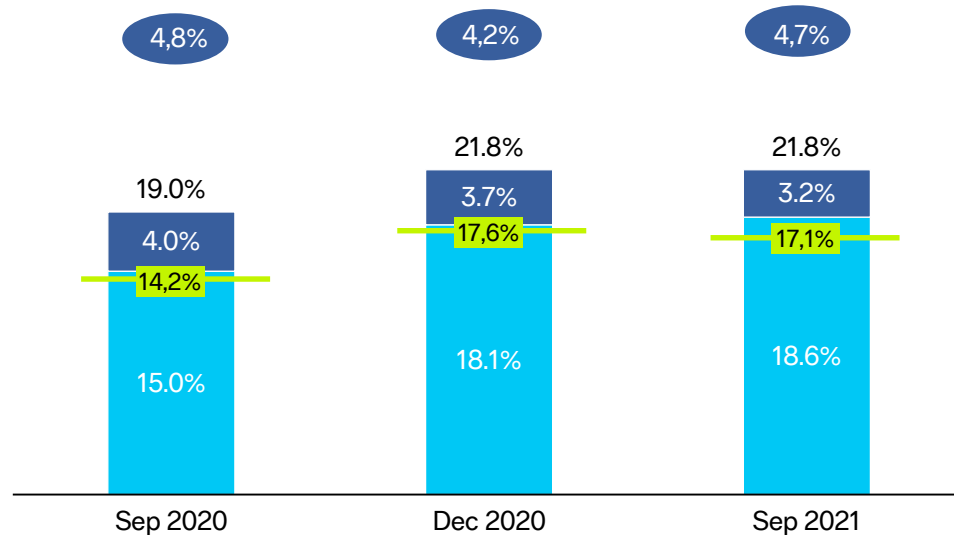
(1) Defined as customer deposits minus lending (credit portfolio); (2) Excluding lending against pledged cash and cash equivalents; (3) LTM 9M 2021 credit losses divided by average quarterly lending volume over the period

# Maintained capital position

## Total capital ratio

%

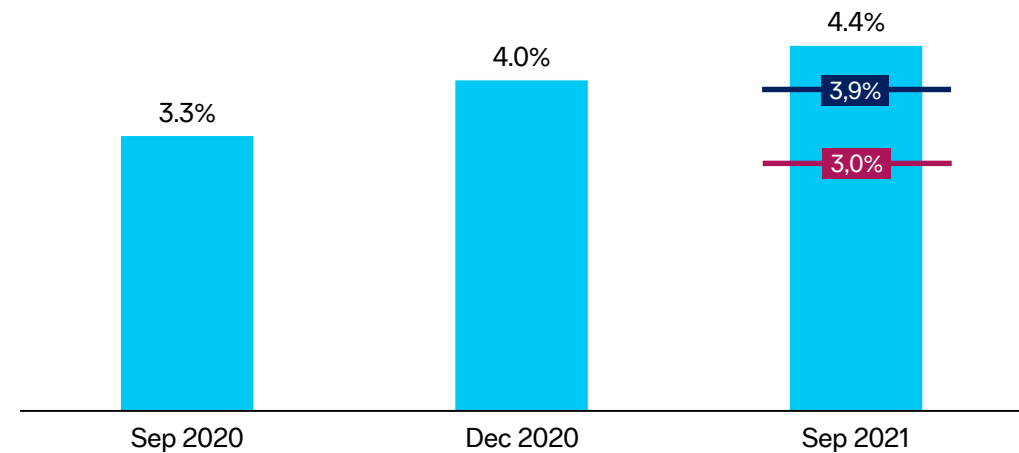
■ Capital requirement    ■ Additional Tier 1 ratio  
■ CET1 ratio    ● Buffer over total capital requirement



## Leverage ratio

%

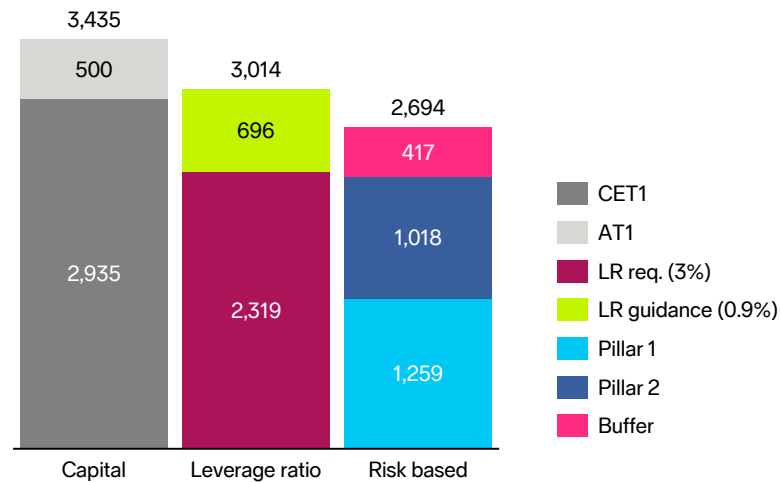
■ Leverage ratio    — Requirement including P2 guidance  
— Minimum requirement



# Capital requirements and deposit development

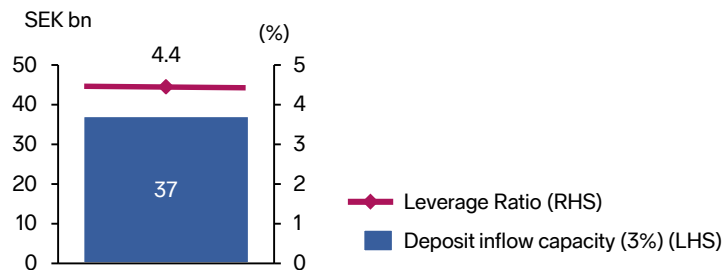
## Risk based & Leverage Ratio requirements

September 2021, SEK million



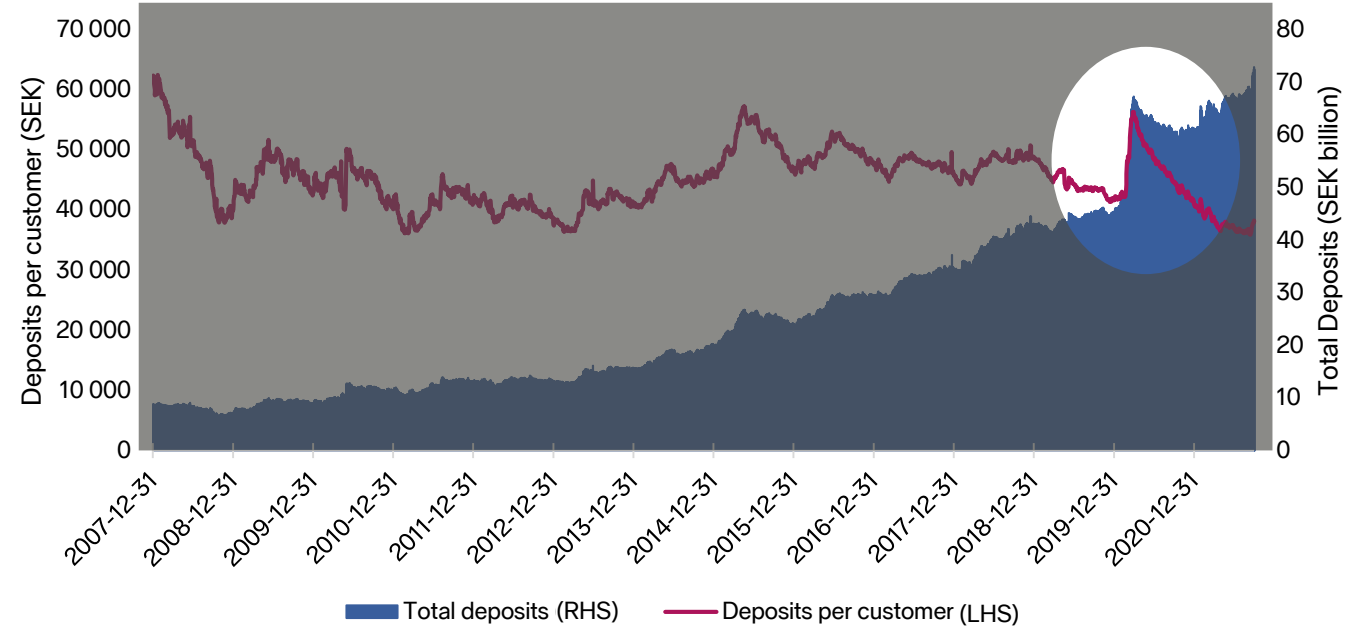
## Leverage Ratio & deposit inflow capacity

September 2021, SEKbn | %



## Total customer deposit

Conglomerate | 2007-12 – 2021-09



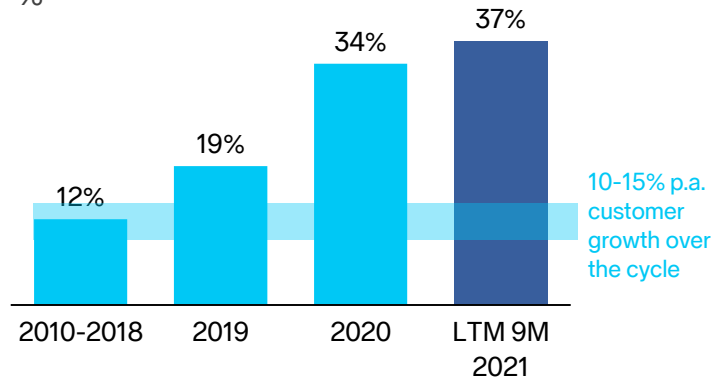
# Financial performance vs. financial targets

Target

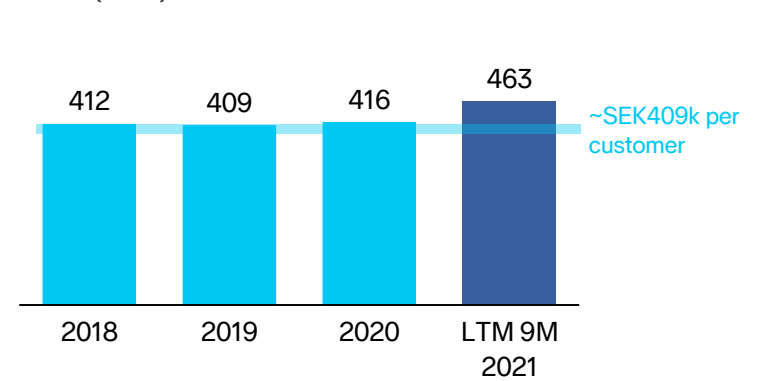
## Customer satisfaction NPS



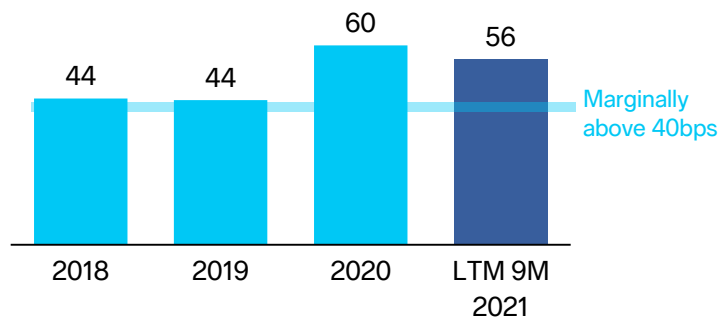
## Customer growth %



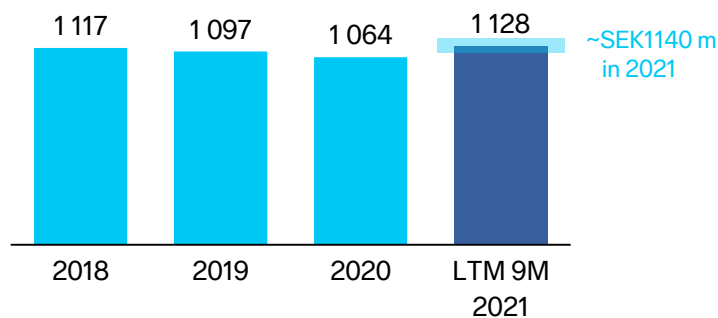
## Average savings capital per customer<sup>1</sup> SEK ('000)



## Income in relation to savings capital<sup>2</sup> bps



## Adjusted operating expenses<sup>3</sup> SEKm

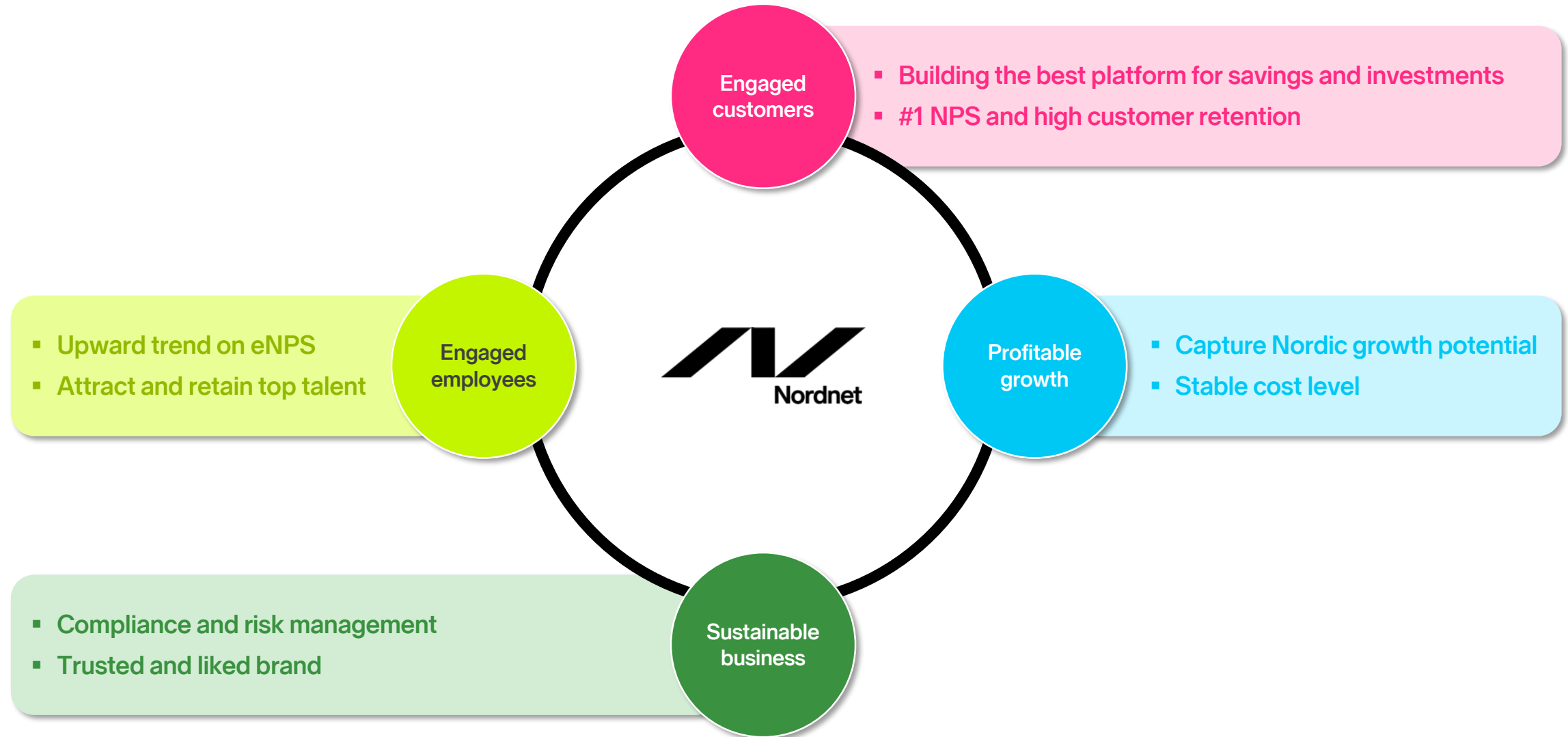


## Dividend payout ratio %

“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 27, subtracting SEK45m in 2017, SEK16m in 2018, SEK65m in 2019, SEK129m in 2020 and SEK99m in LTM 9M 2021. Includes amortisation of PPA intangibles and excludes credit losses

# Key focus areas





# Thank you!



Nordnet

# Appendix



Nordnet

# Financial highlights third quarter 2021

SEKm unless otherwise stated	Q3 2021	Q2 2021	QoQ %	Q3 2020	YoY %
Condensed P&L <sup>1</sup>					
Adjusted total income	795	830	(4%)	617	29%
Adjusted operating expenses	(278)	(283)	(2%)	(258)	8%
Adjusted profit before tax	508	536	(5%)	356	43%
KPIs					
New customers	+61,900	+86,600	(28%)	+53,700	15%
Customers	1,537,200	1,475,300	4%	1,122,900	37%
Net savings (SEKbn)	+15.3	+22.4	(31%)	+9.7	57%
Savings capital (SEKbn)	728.0	703.3	4%	477.8	52%

(1) Refer to page 29 for additional detail on items affecting comparability

# Summary P&L

SEKm	Q3 2021	Q2 2021	QoQ %	Q3 2020	YoY %	LTM 9M 2021	LTM 9M 2020	YoY %
<b>Adjusted total income</b>	<b>795</b>	<b>830</b>	<b>(4%)</b>	<b>617</b>	<b>29%</b>	<b>3 506</b>	<b>2 340</b>	<b>50%</b>
<b>Adjusted operating expenses</b>	<b>(278)</b>	<b>(283)</b>	<b>(2%)</b>	<b>(258)</b>	<b>8%</b>	<b>(1 128)</b>	<b>(1 072)</b>	<b>5%</b>
Net credit losses	(9)	(11)	(19%)	(3)	162%	(31)	(41)	(25%)
<b>Adjusted profit before tax</b>	<b>508</b>	<b>536</b>	<b>(5%)</b>	<b>356</b>	<b>43%</b>	<b>2 346</b>	<b>1 226</b>	<b>91%</b>
Items affecting comparability (IAC), income								
Items affecting comparability (IAC), expenses				(19)		(99)	(79)	25%
<b>Reported profit before tax</b>	<b>508</b>	<b>536</b>	<b>(5%)</b>	<b>337</b>	<b>51%</b>	<b>2 247</b>	<b>1 147</b>	<b>96%</b>
Tax	(98)	(95)	3%	(59)	66%	(439)	(200)	120%
<b>Reported net income</b>	<b>410</b>	<b>440</b>	<b>(7%)</b>	<b>277</b>	<b>48%</b>	<b>1 808</b>	<b>947</b>	<b>91%</b>
<b>Adjusted net income excl. IAC</b>	<b>410</b>	<b>440</b>	<b>(7%)</b>	<b>293</b>	<b>40%</b>	<b>1 887</b>	<b>1 010</b>	<b>87%</b>
<b>Adjusted net income excl. IAC and amortisation of intangible assets due to PPA</b>	<b>417</b>	<b>447</b>	<b>(7%)</b>	<b>301</b>	<b>38%</b>	<b>1 917</b>	<b>1 046</b>	<b>83%</b>

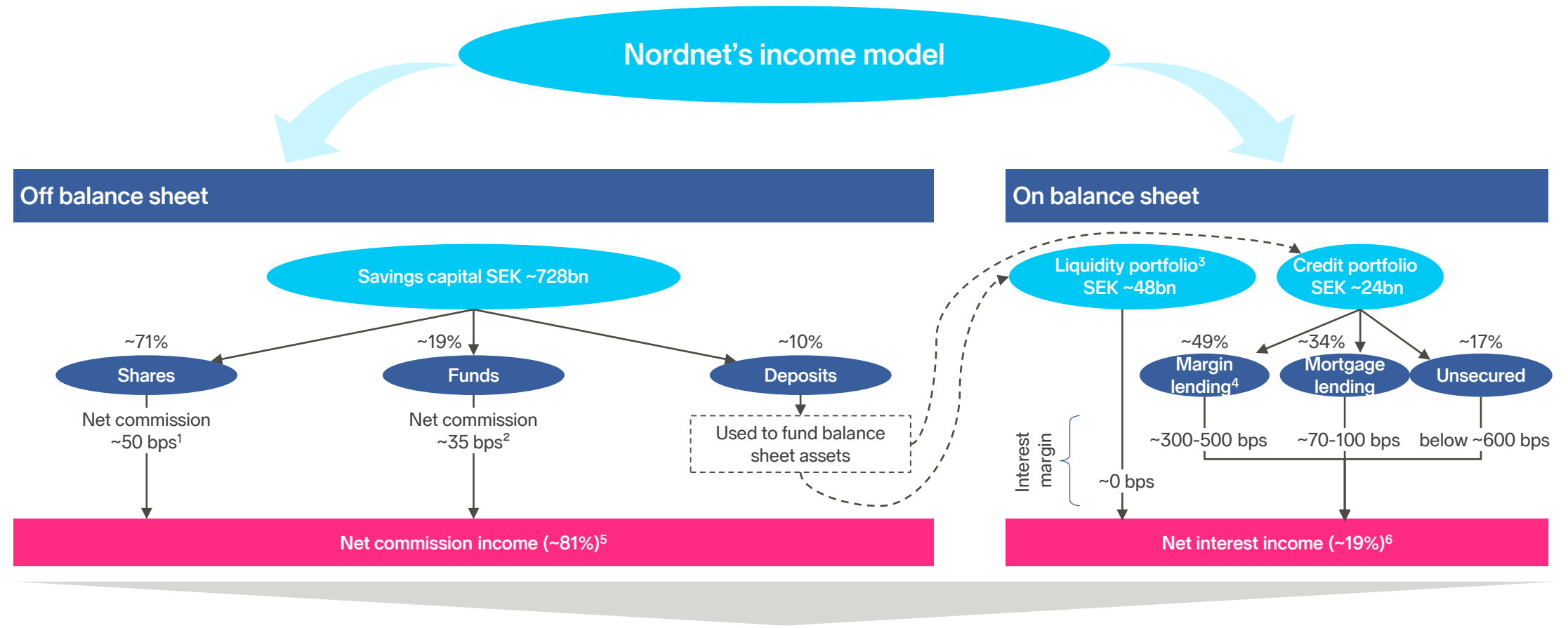
Note: Refer to page 29 for additional detail on items affecting comparability

# Items affecting comparability

SEKm	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2020	FY 2019	FY 2018	FY 2017
<b>Non-recurring items – Expenses</b>															
Delisting from Nasdaq															(45)
Acquisition of Netfonds								(19)	(2)	(8)	(6)	-	(35)	(16)	
Deduction right VAT					(9)	(11)		(30)				(20)	(30)		
IPO related expenses				(99)	(10)							(109)	-		
<b>Non-recurring items – Income</b>															
Revaluation of the shareholdings in Tink AB <sup>1</sup>											66	-	66		
<b>Total</b>				(99)	(19)	(11)	-	(49)	(2)	(8)	60	(129)	1	(16)	(45)

(1): The shareholding was divested in 2019

# Nordnet has a capital light business model

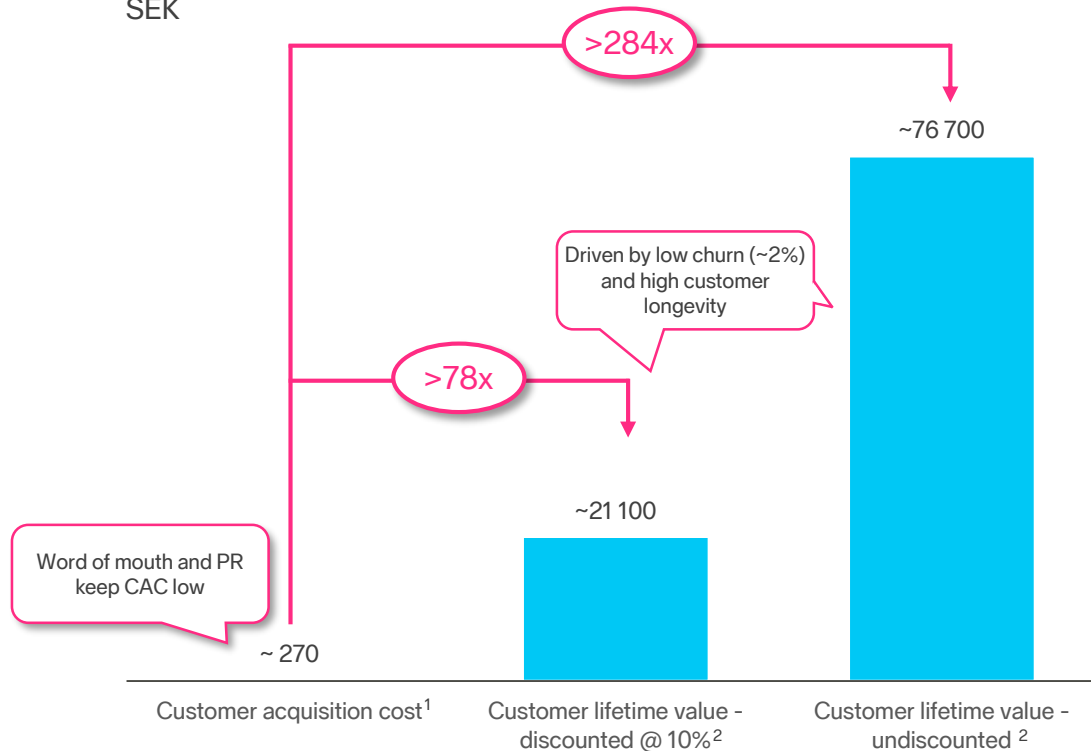


Figures as per LTM 9M 2021; (1) Net transaction related income divided by average quarterly brokerage savings capital; (2) Net non-transaction related income excluding income from Nordnet Markets divided by average quarterly fund savings capital; (3) Defined as customer deposits minus lending (credit portfolio); (4) Excluding lending against pledged cash and cash equivalents; (5) Includes net financial transactions and other income; (6) Includes off-balance sheet income from securities lending

# Profitable customer growth with significant long-term potential

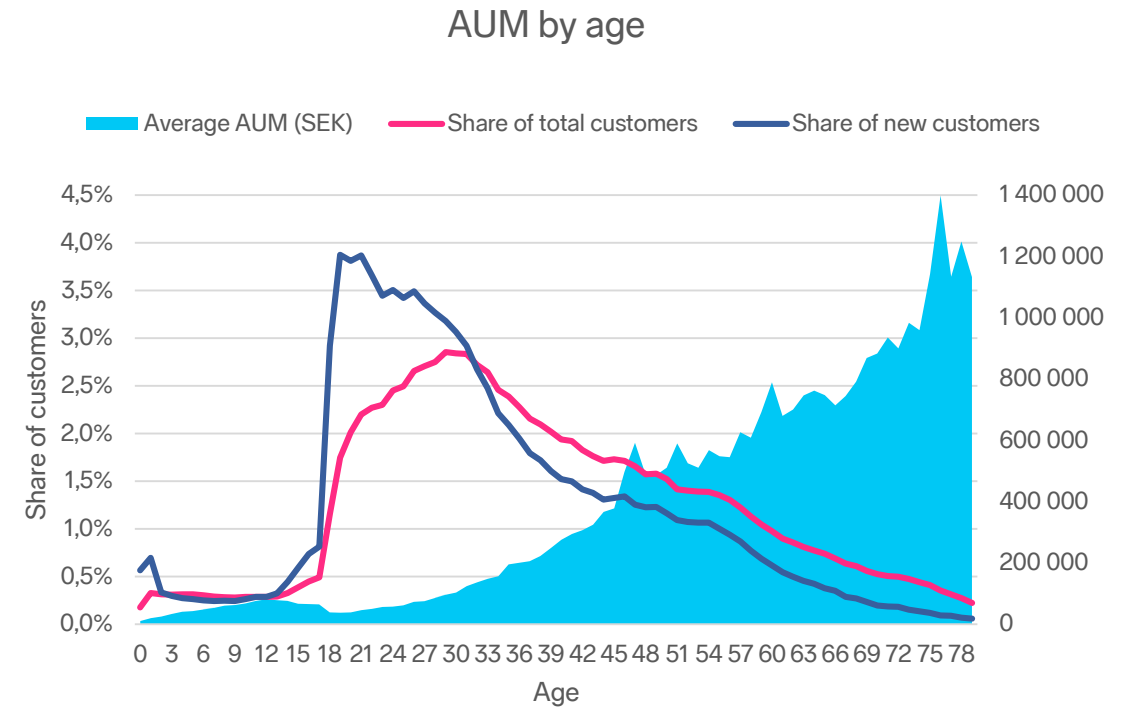
Attractive customer lifetime value driven by low acquisition cost and churn...

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 age<sup>3</sup>



(1) Customer acquisition cost LTM 9M 2021 (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 SEK76,700 or, when discounted back over 40 years at a rate of 10%, is approximately SEK21,100; (3) Source: Nordnet as per September 30, 2021

# Share of trading per application

