

# Nordnet Q4 2022

## Results presentation



# Key highlights fourth quarter 2022

Strong financial performance with the second highest revenue and profit in Nordnet's history

Higher interest rates drove a 172% increase in net interest income

Good customer growth and positive net savings

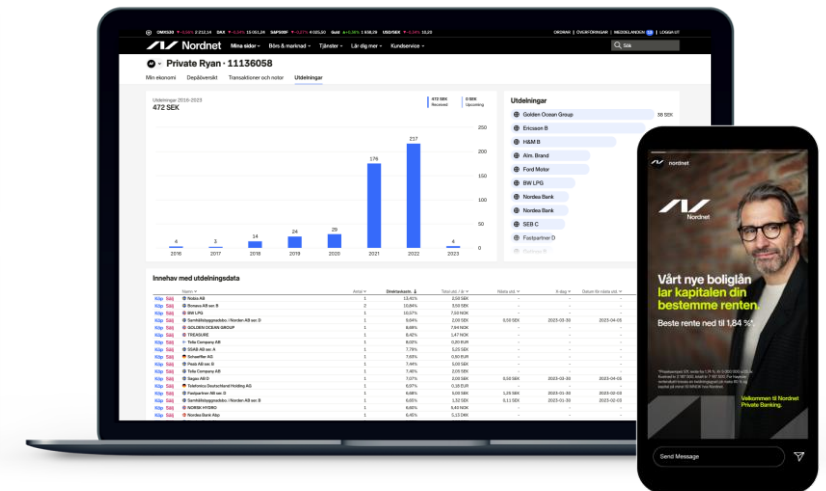
Positive interest rate sensitivity – set to grow NII significantly in 2023

Strong cost control with operating expenses in line with financial target

Product launches include dividend tracker, watchlists, improved login and instant transfer function

Uncertain macro environment remains an overhang on trading activity

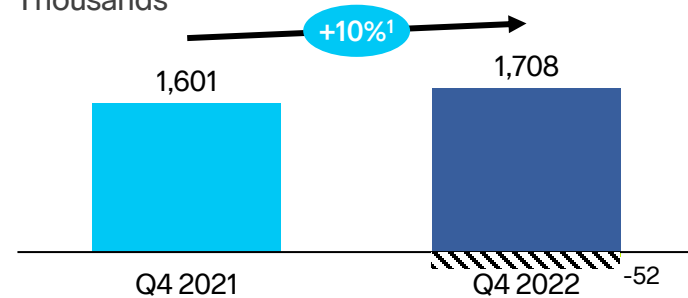
Proposed dividend of 4.60 SEK/share




# Financial highlights fourth quarter 2022

## Customers

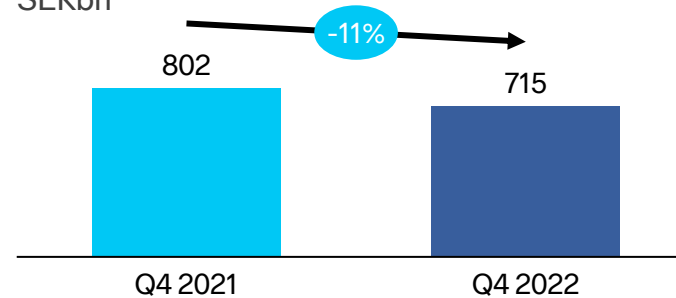
Thousands



 Terminated customers 2022

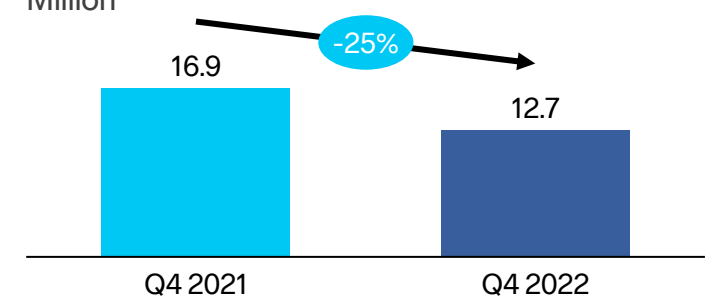
## Savings capital

SEKbn



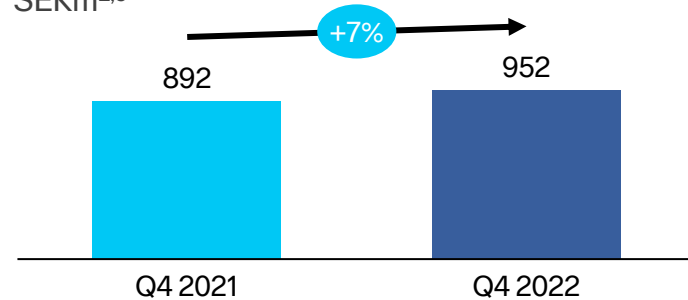
## Number of trades

Million



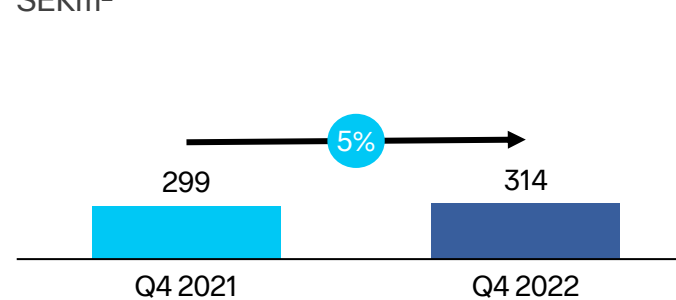
## Adjusted revenues

SEKm<sup>2,3</sup>



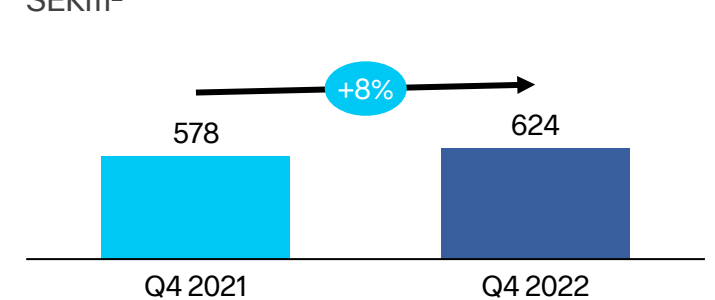
## Adjusted operating expenses

SEKm²



## Adjusted profit before tax

SEKm²

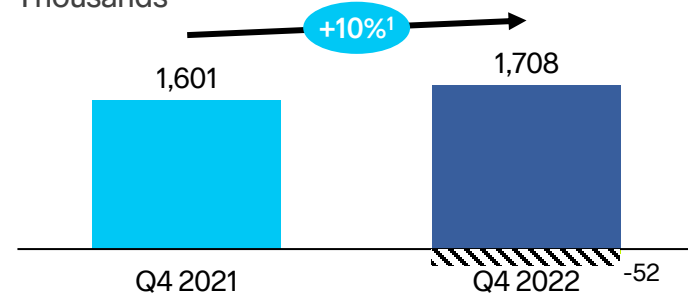



(1) Customer growth in the last 12 months was 7% including the 51 700 customers that during H1 2022 were terminated related to the project concerning the collection of complete customer documentation, which is described in Nordnet's interim report for the third quarter 2021. (2) Excludes items affecting comparability. (3) Adjusted revenues for Q4 2022 include a SEK -20m adjustment related to a retroactive correction of fund income for the period 2021-2022.

# Financial highlights 2022

## Customers

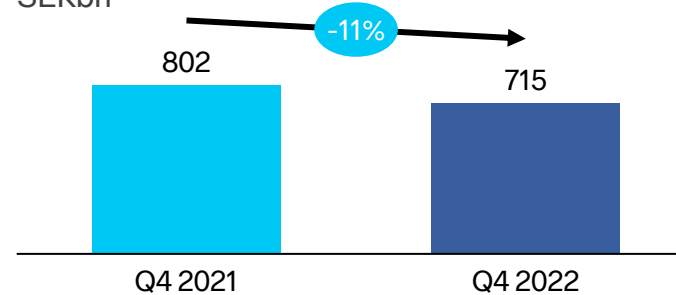
Thousands



 Terminated customers 2022

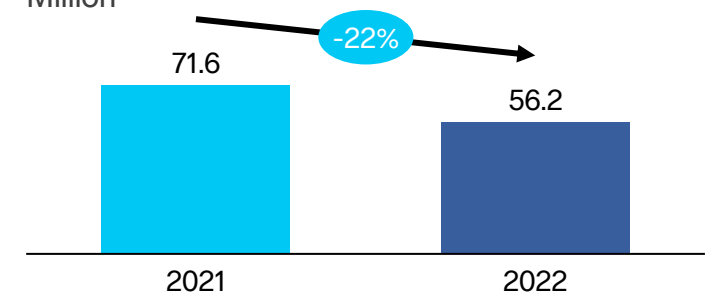
## Savings capital

SEKbn



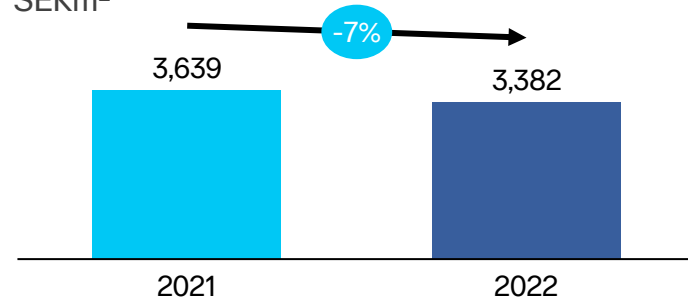
## Number of trades

Million



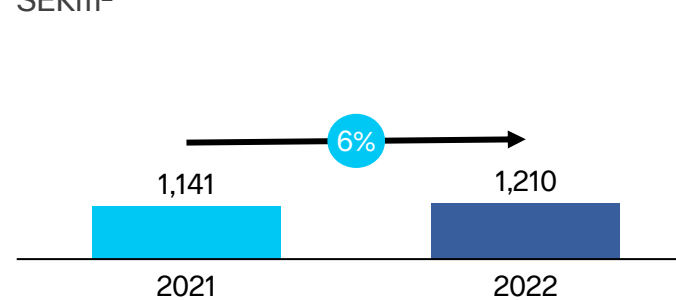
## Adjusted revenues

SEKm<sup>2</sup>



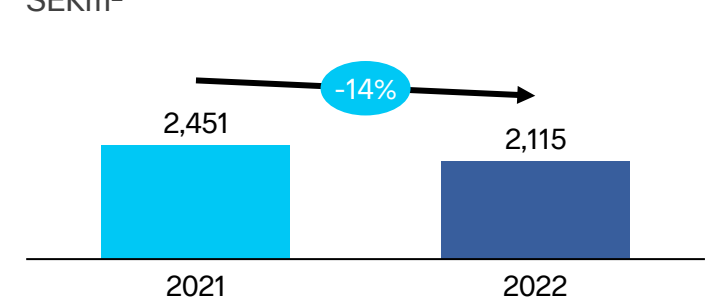
## Adjusted operating expenses

SEKm<sup>2</sup>



## Adjusted profit before tax

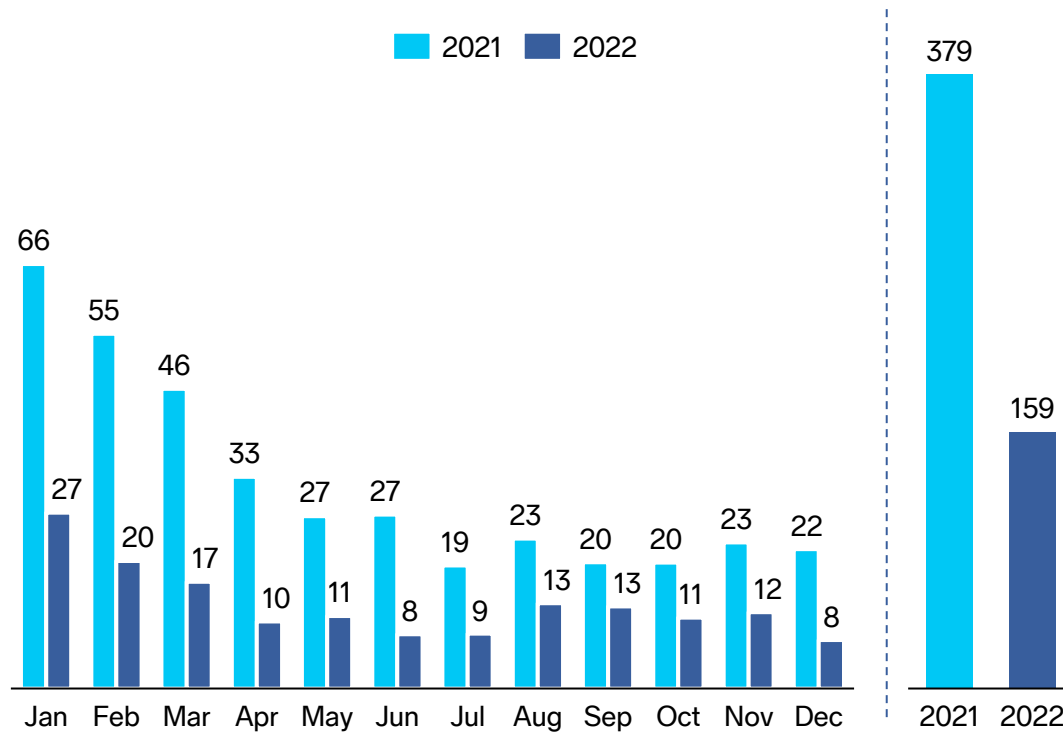
SEKm<sup>2</sup>



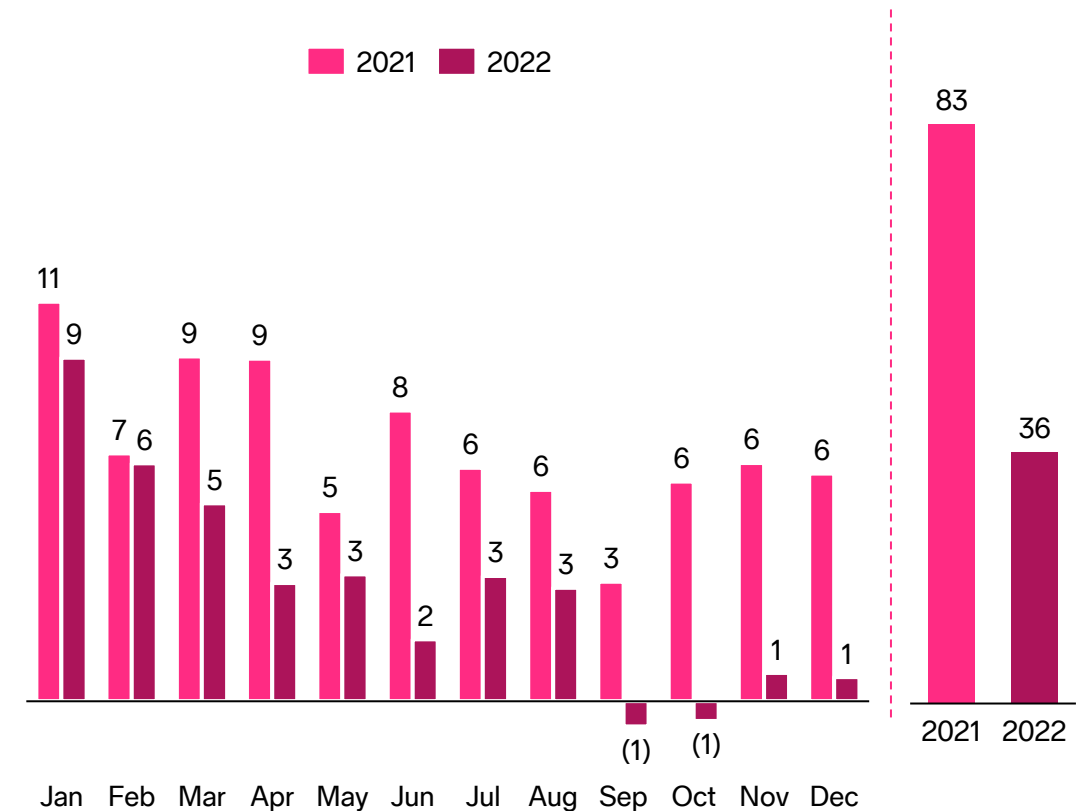
(1) Customer growth in the last 12 months was 7% including the 51 700 customers that during H1 2022 were terminated related to the project concerning the collection of complete customer documentation, which is described in Nordnet's interim report for the third quarter 2021. (2) Excludes items affecting comparability.

# Continued growth in customers and net savings despite negative market

New customers by month<sup>1</sup>  
Thousands

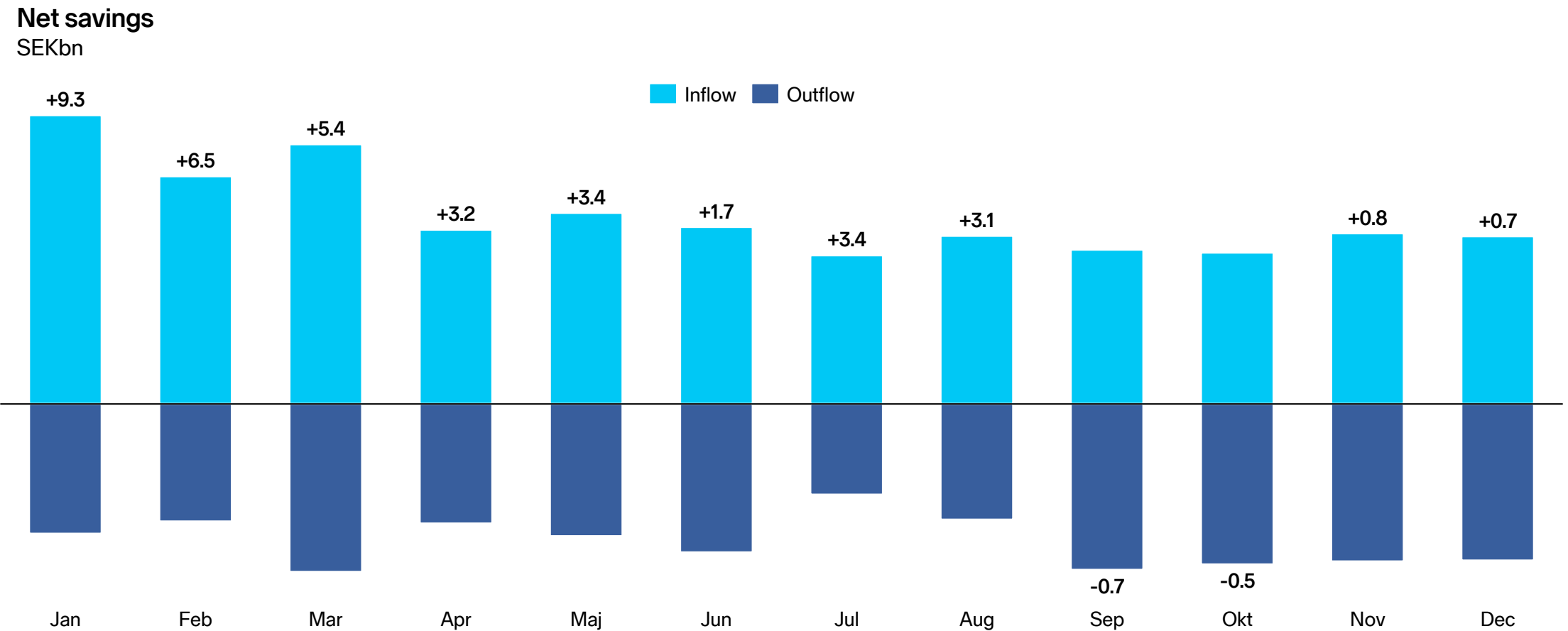


Net savings per month  
SEKbn



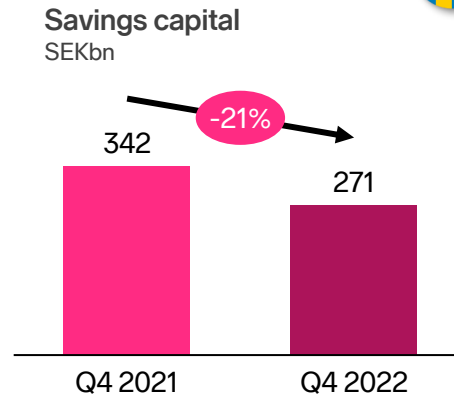
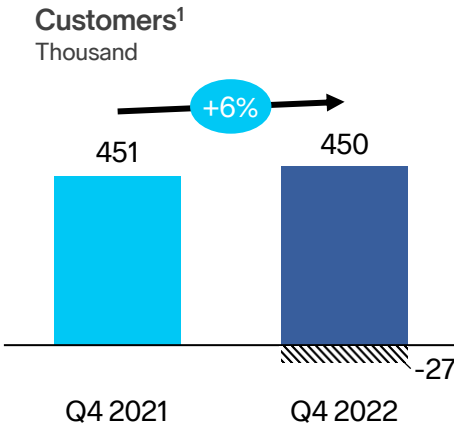
(1) Excludes 51,700 customers who during H1 2022 were terminated in connection with a project concerning the collection of complete customer documentation, which is described in Nordnet's interim report for the third quarter 2021.

# Net savings rebounded to positive territory

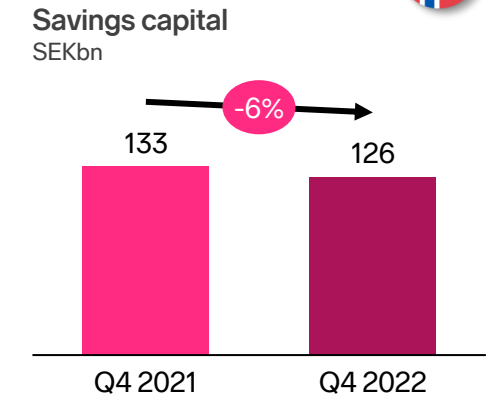
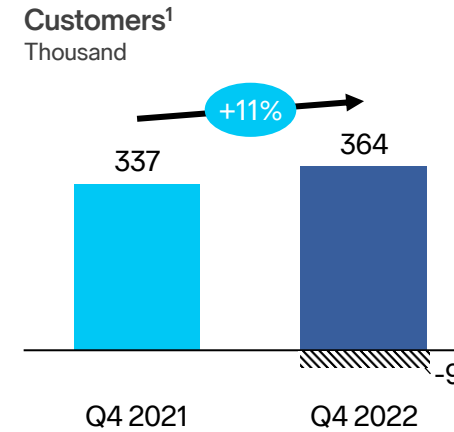


# Geographical diversification de-risks the business model

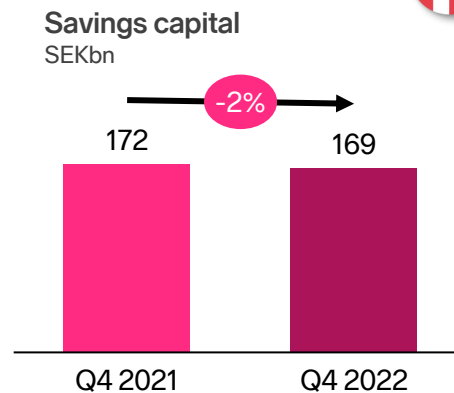
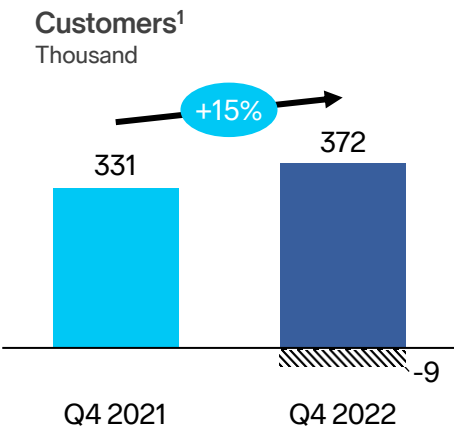
## Sweden



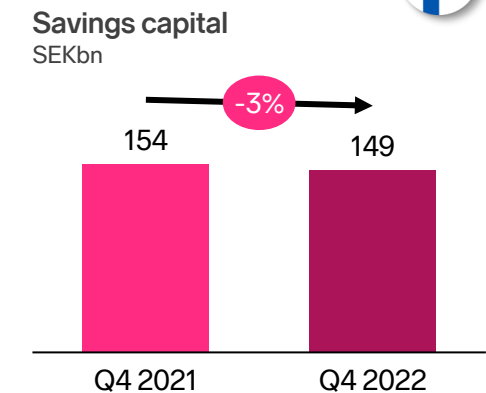
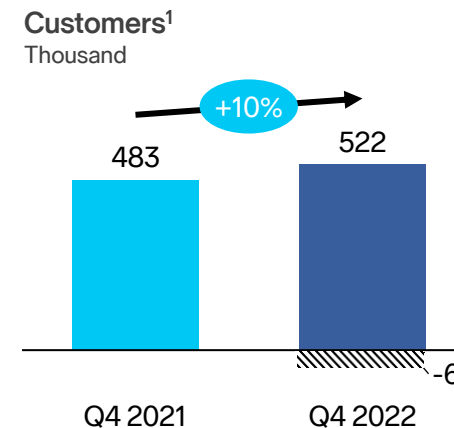
## Norway



## Denmark



## Finland

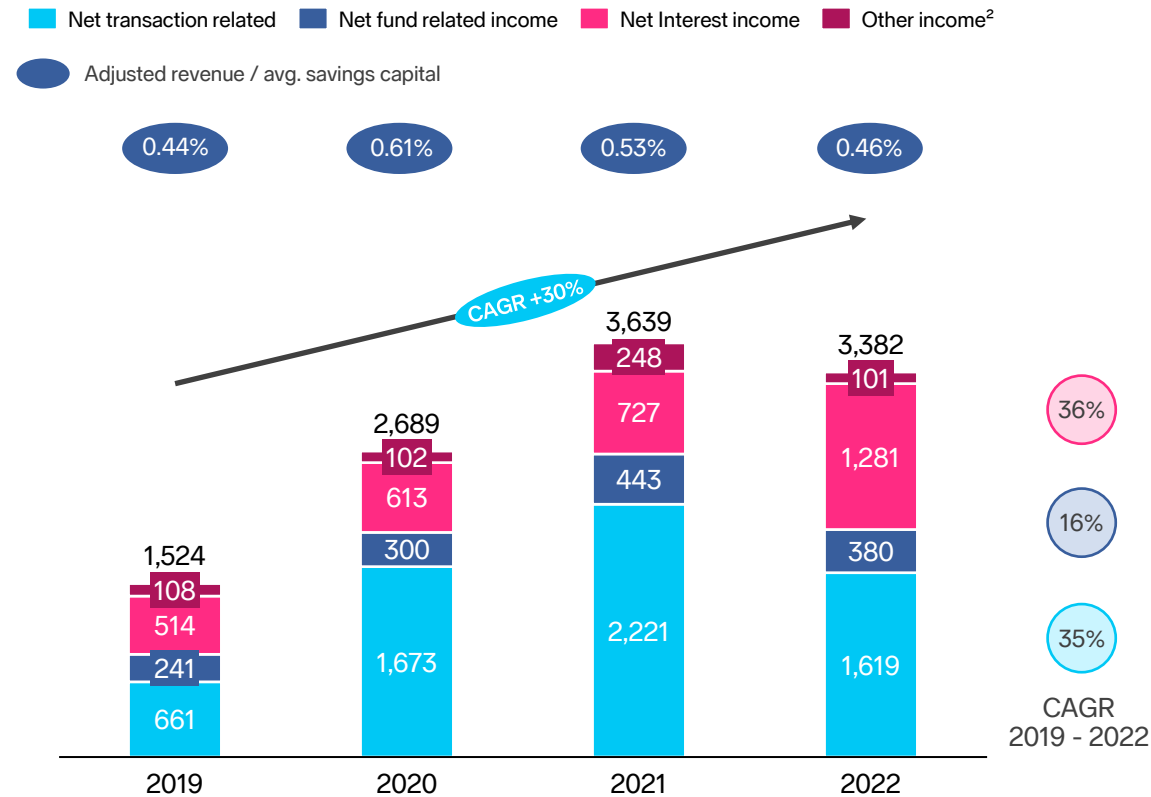


 Terminated customers

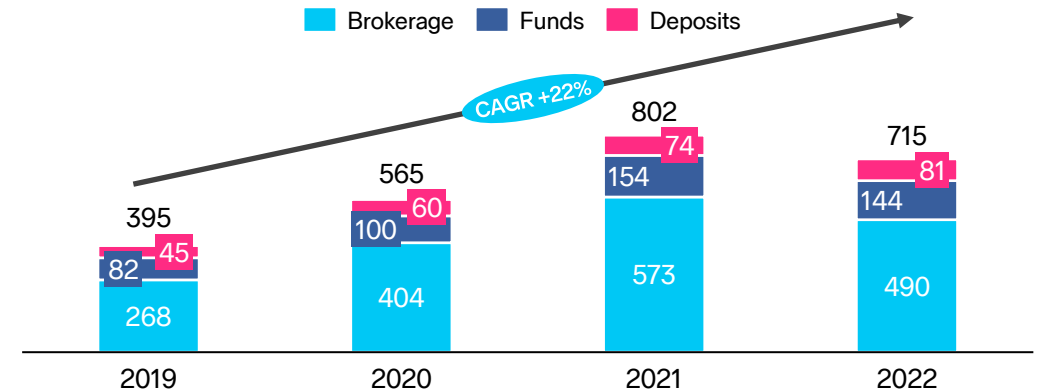
(1) Growth figures exclude customers who during H1 2022 were terminated in connection with a project concerning the collection of complete customer documentation, which is described in Nordnet's interim report for the third quarter 2021.

# Resilient revenue bolstered by diversified revenue streams

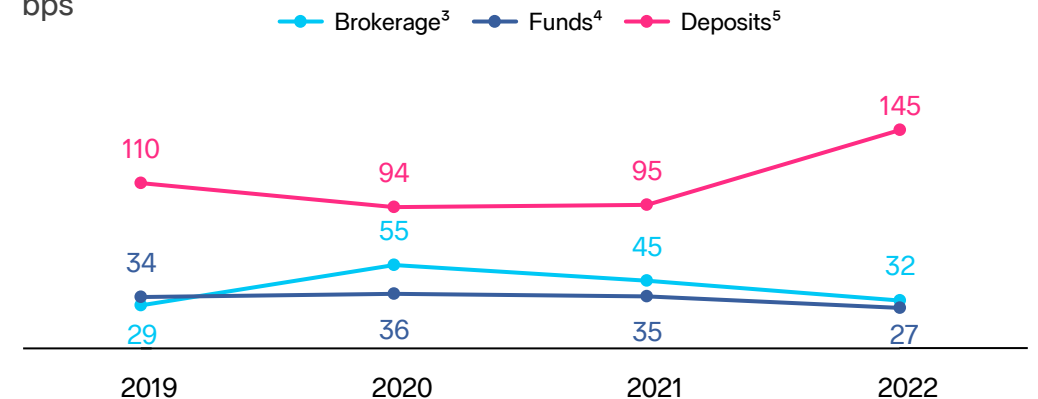
Adjusted revenue by income type  
SEKm<sup>1</sup>



Savings capital by product  
SEKbn



Revenue margin by product  
bps



(1) Refer to page 31-32 for additional detail on items affecting comparability; (2) Includes other income, net other provision income and net financial transactions; (3) Net transaction related income divided by average quarterly brokerage savings capital; (4) Net fund related income divided by average quarterly fund savings capital; (5) Net interest income excluding income related to securities lending divided by average quarterly deposits.



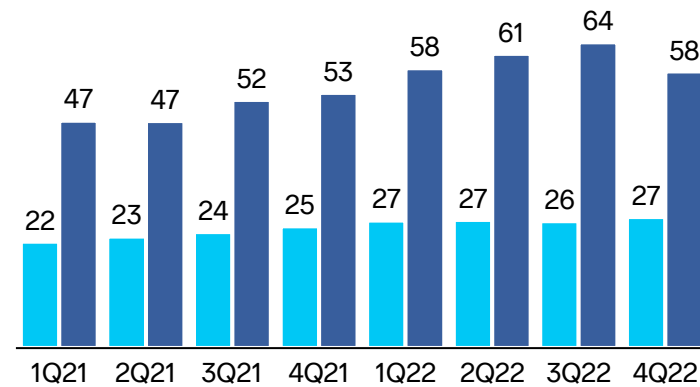
# Liquidity portfolio to generate ~SEK1.8bn in 2023\*

\*Assuming Q4 2022 volume, currency allocation, credit spreads and market consensus estimates for IBOR development.

## Volume

SEKbn

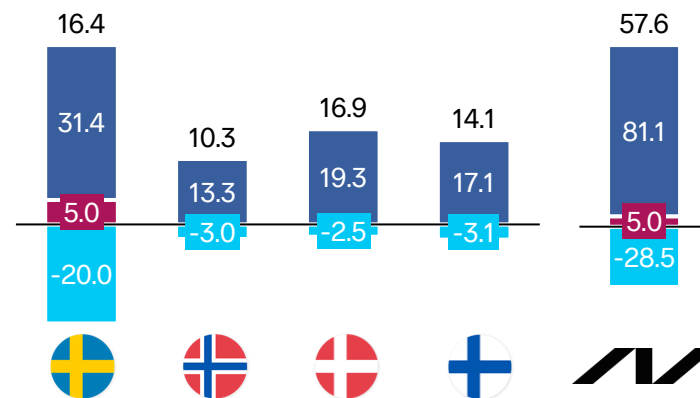
Lending<sup>1</sup> Liquidity portfolio



## Volume Q4 22

SEKbn

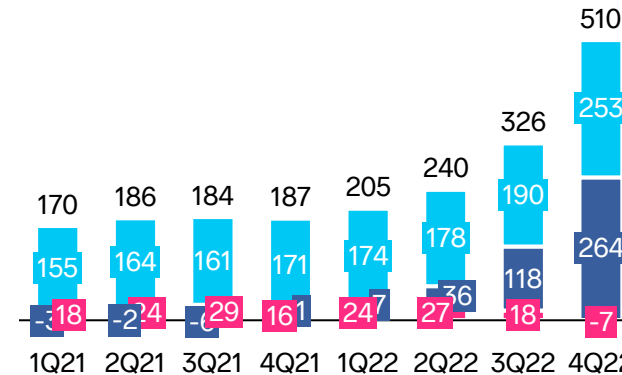
Deposits Lending<sup>2</sup> Other/equity



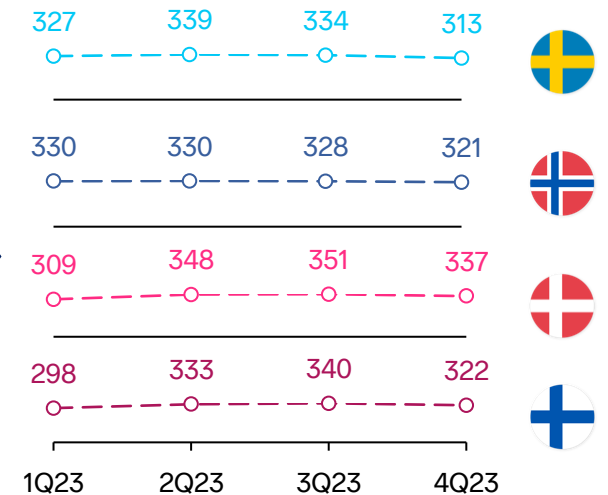
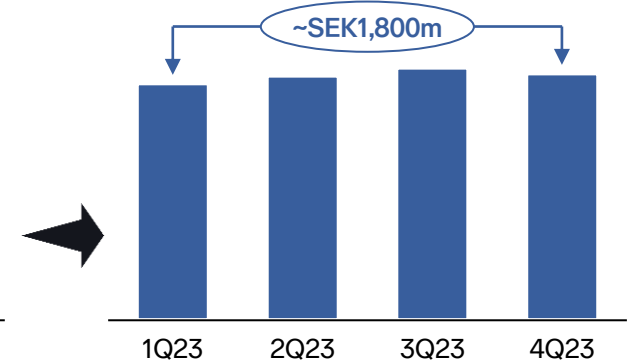
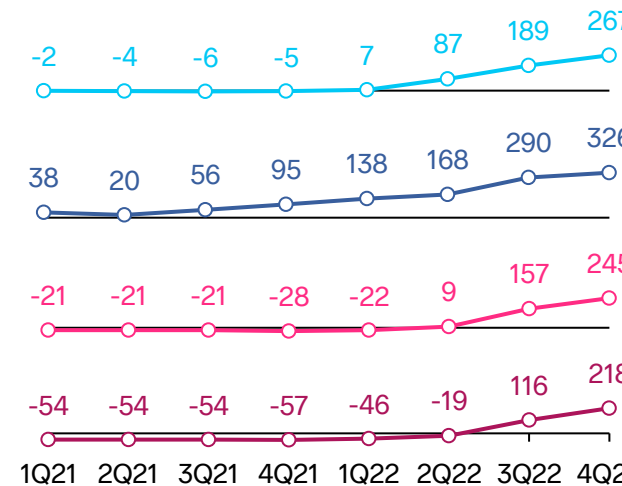
## Net interest income

SEKm

Lending Liquidity portfolio Other



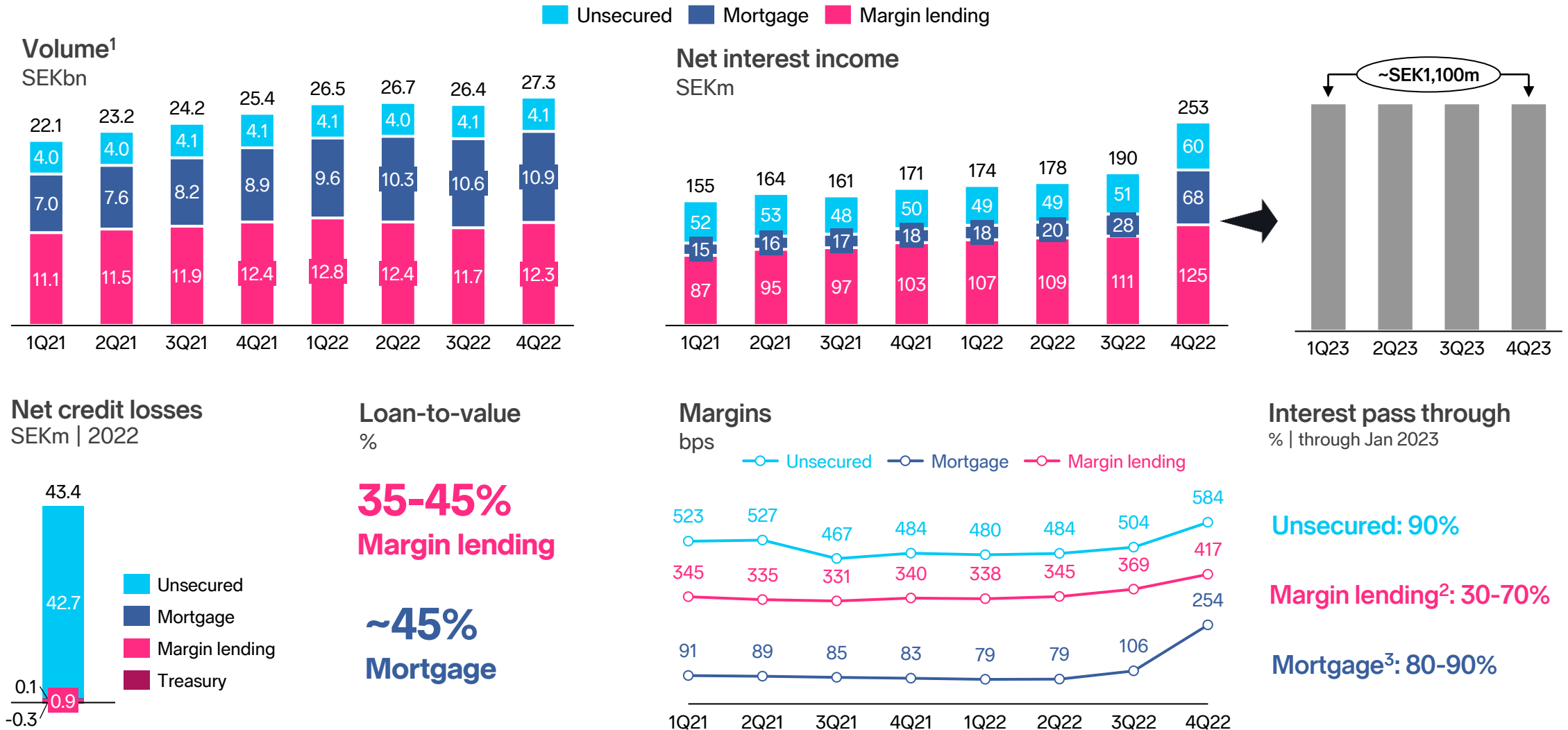
## 3M IBOR<sup>3</sup> development and forecast (bps)



(1) Excluding lending against pledged cash and cash equivalents; (2) Including lending against pledged cash and cash equivalents; (3) Source: Bloomberg as per 2023-01-19.

# Loan portfolio to generate ~SEK1.1bn in 2023\*

\*Assuming Q4 2022 volumes and interest as per Jan 1st, 2023. Not accounting for deposit rate paid to customers.



(1) Excluding lending against pledged cash and cash equivalents; (2) ~70% in Sweden, ~60% in Norway, 30% in Denmark and ~40% in Finland; (3) ~90% in Sweden and ~80% in Norway.

# Interest to customers of SEK ~200m in 2023\*

\*Assuming Q4 2022 volume, currency and customer account mix, and interest rates as of January 1, 2023

## Estimated interest cost 2023

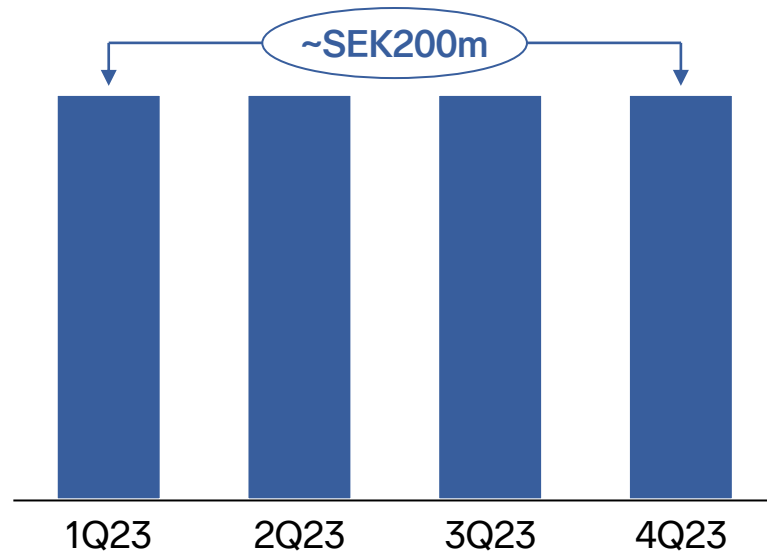
SEKm | Based on 4Q 22 volumes

Interest cost on total deposits (bps)

23

Interest cost on deposits bearing interest (bps)

104

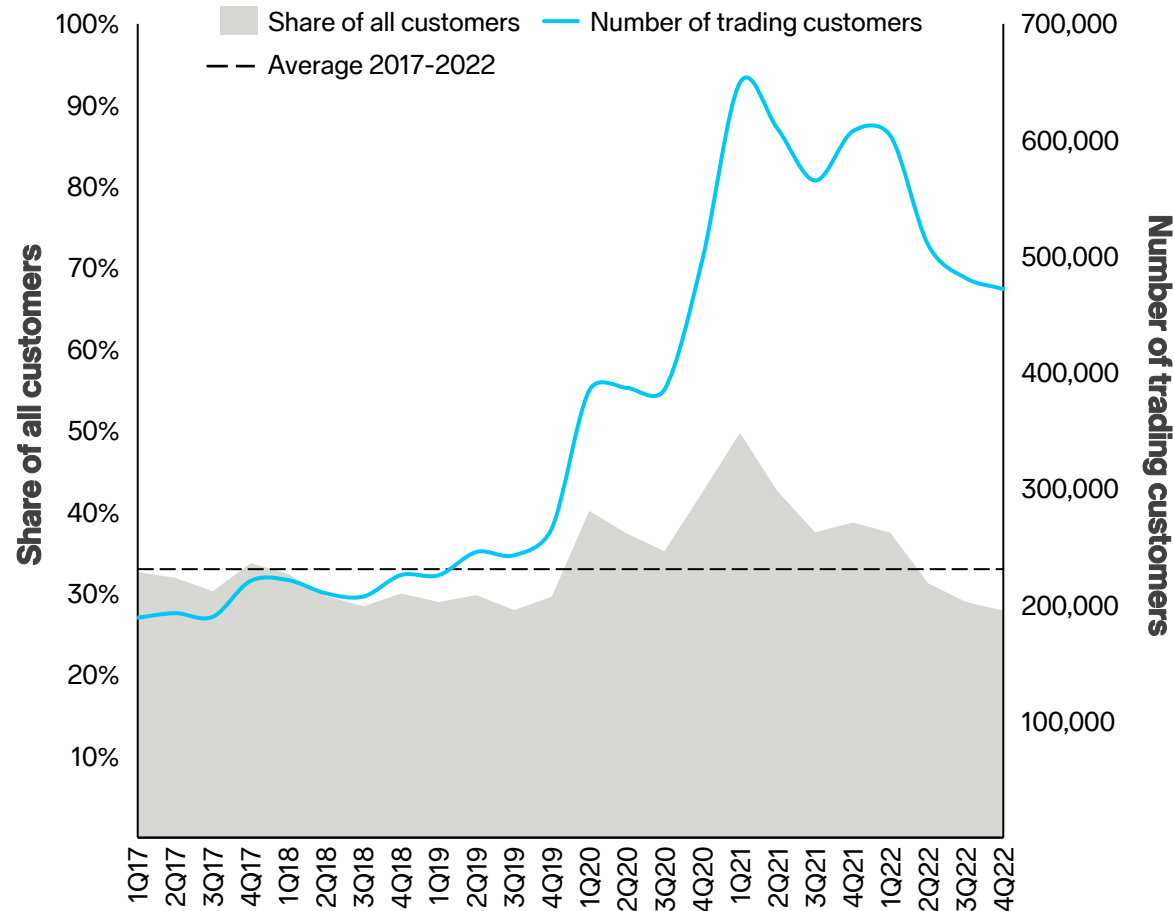


# 22%

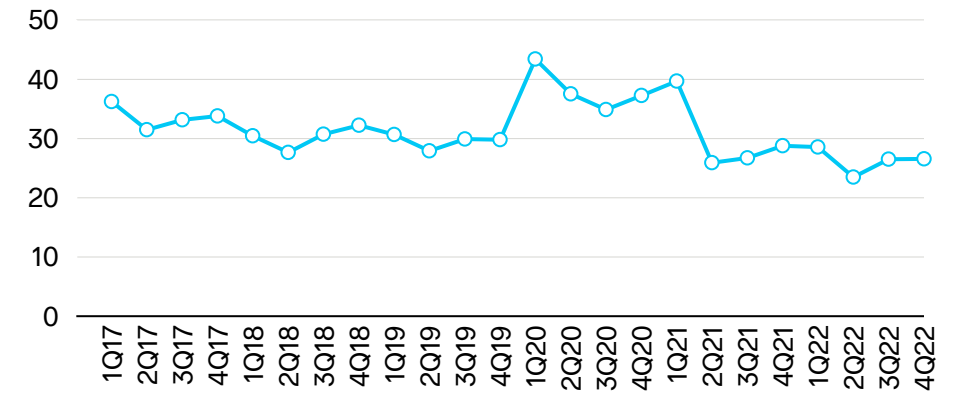
Share of customers' deposits eligible for deposit interest based on newly launched interest models

# Trading below average levels due to market conditions but cross-border share remains sticky

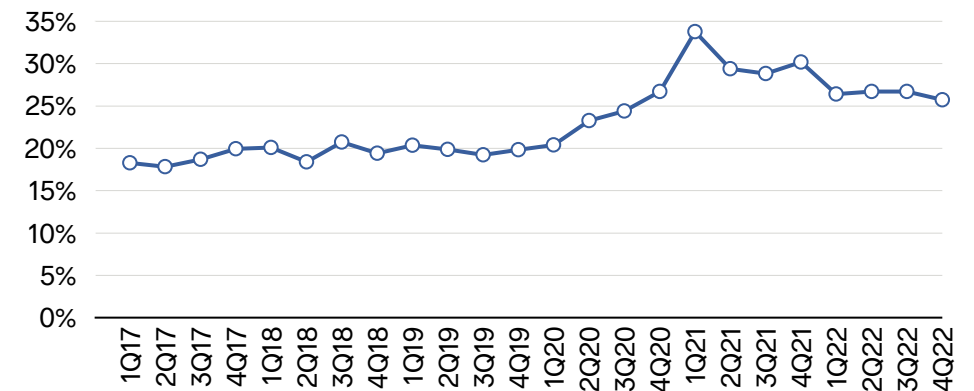
## Trading customers



## Trades per trading customer / quarter

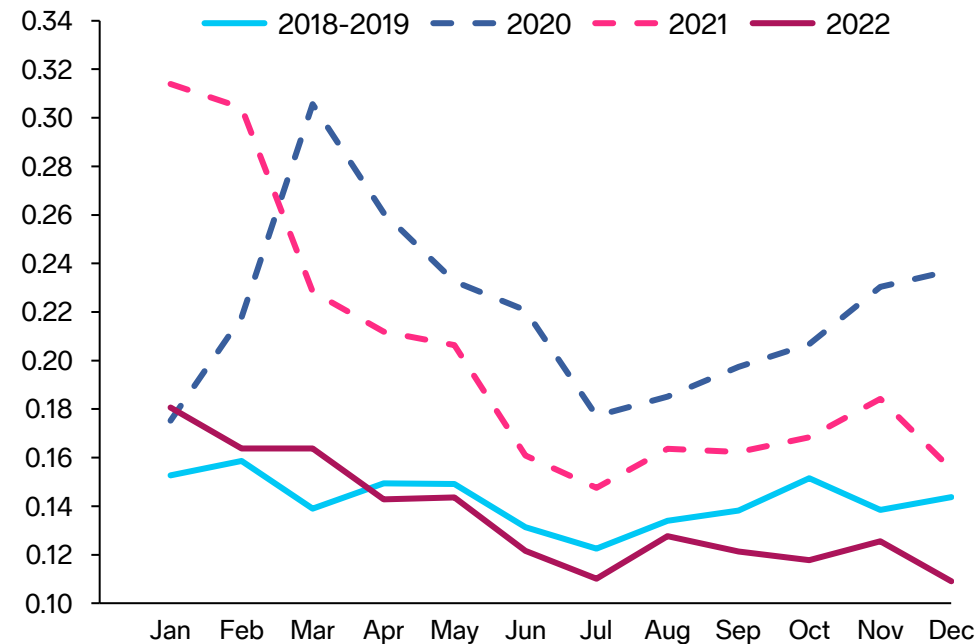


## Share of cross-border trades



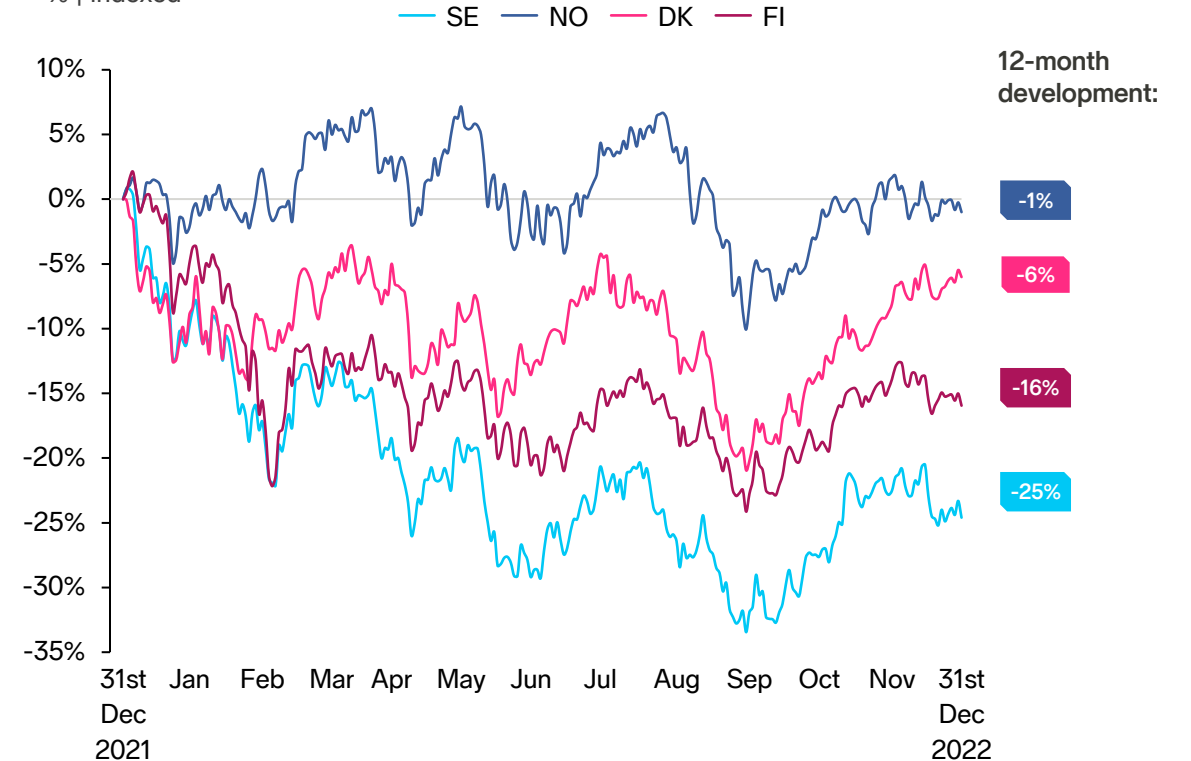
# Trading pattern affected by significant macro uncertainty

## Trades per customer per trading day



## Index development<sup>1</sup>

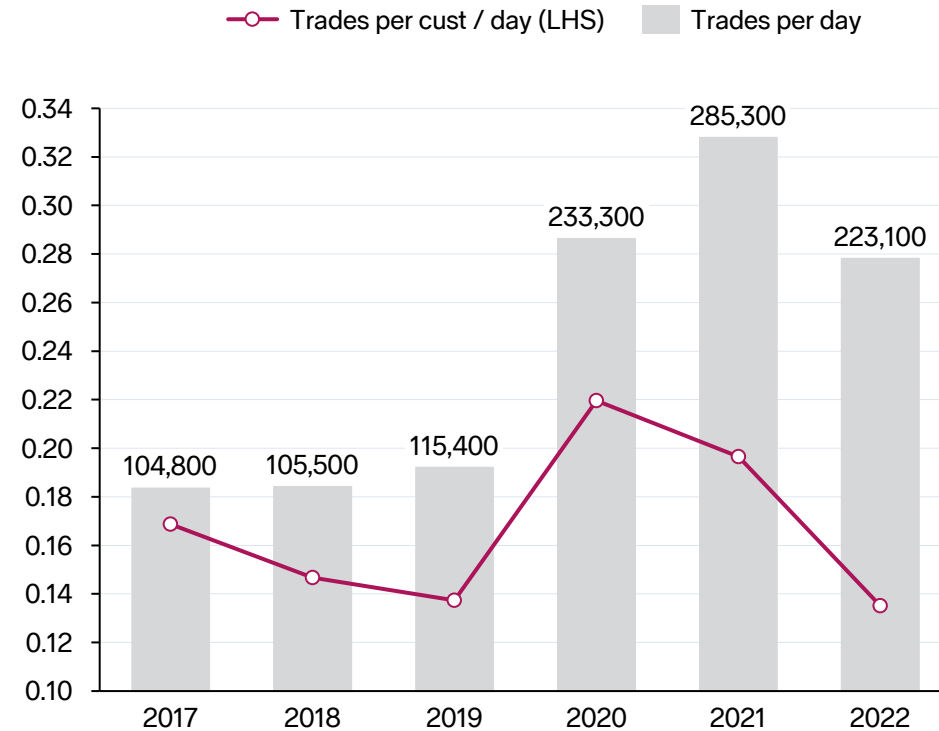
% | indexed



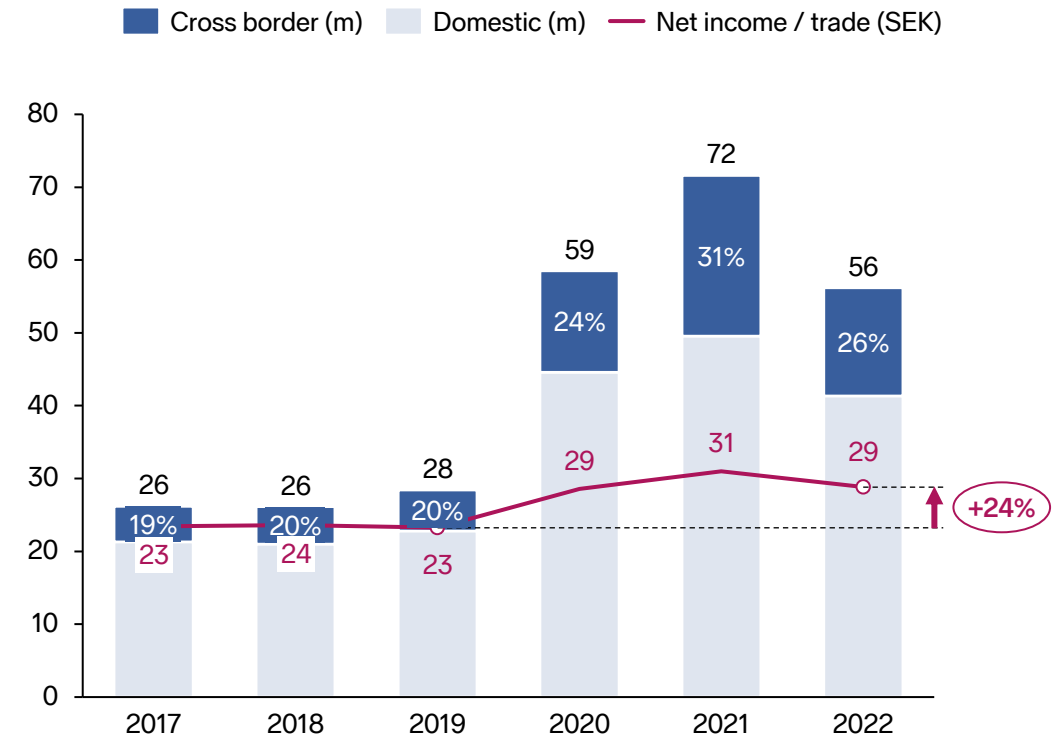
(1) Indexes: SE: OMXSPI; NO: OSEBX; DK: OMXCPI; FI: OMXHPI

# Trades per day have doubled since 2019 and each trade drives more revenue

## Trades per customer per trading day

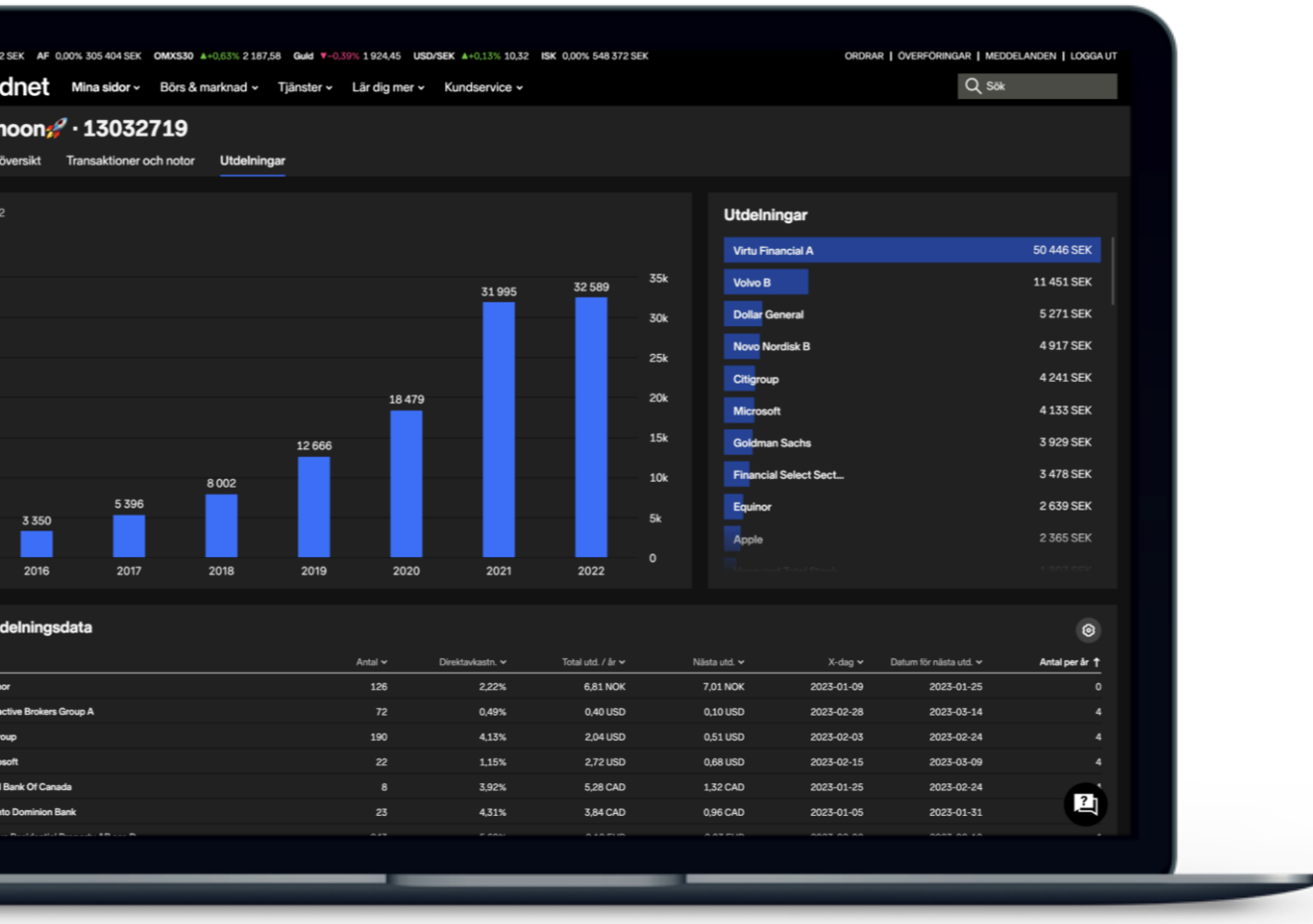


## Total number of trades and net income/trade



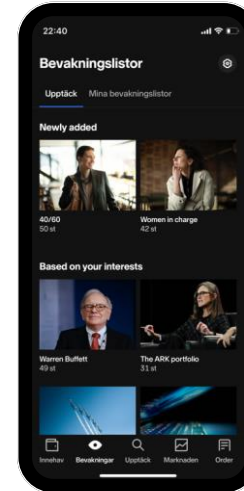
# Select Q4 2022 product highlights

**Dividend overview**— new overview for customers to visualize their received dividends

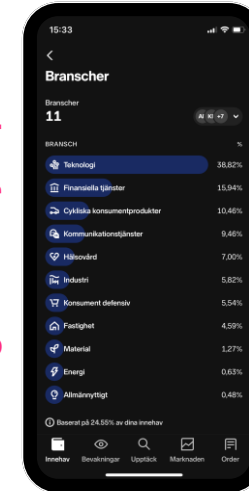


Twenty new versions of our **award-winning app** with lots of user-friendly features and flows

Curated watchlists



Holdings industry exposure



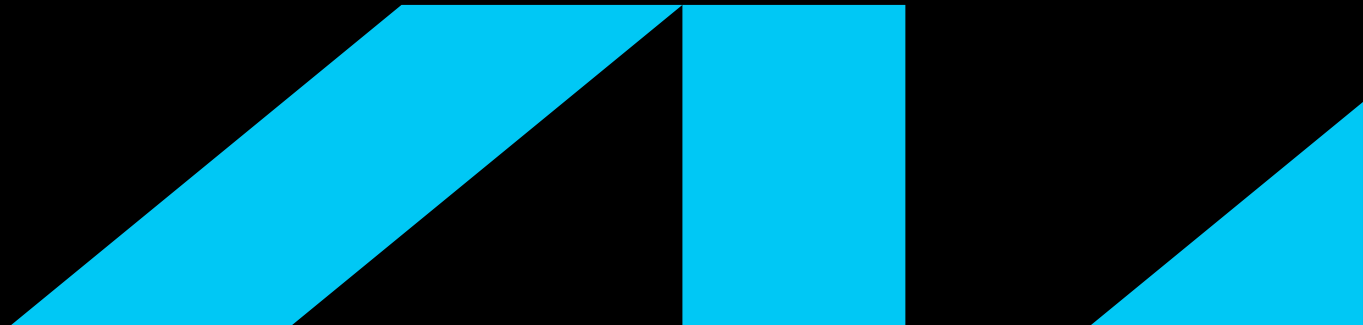
Dividend overview



**Securities lending**— expanding the securities lending program with US and CA shares



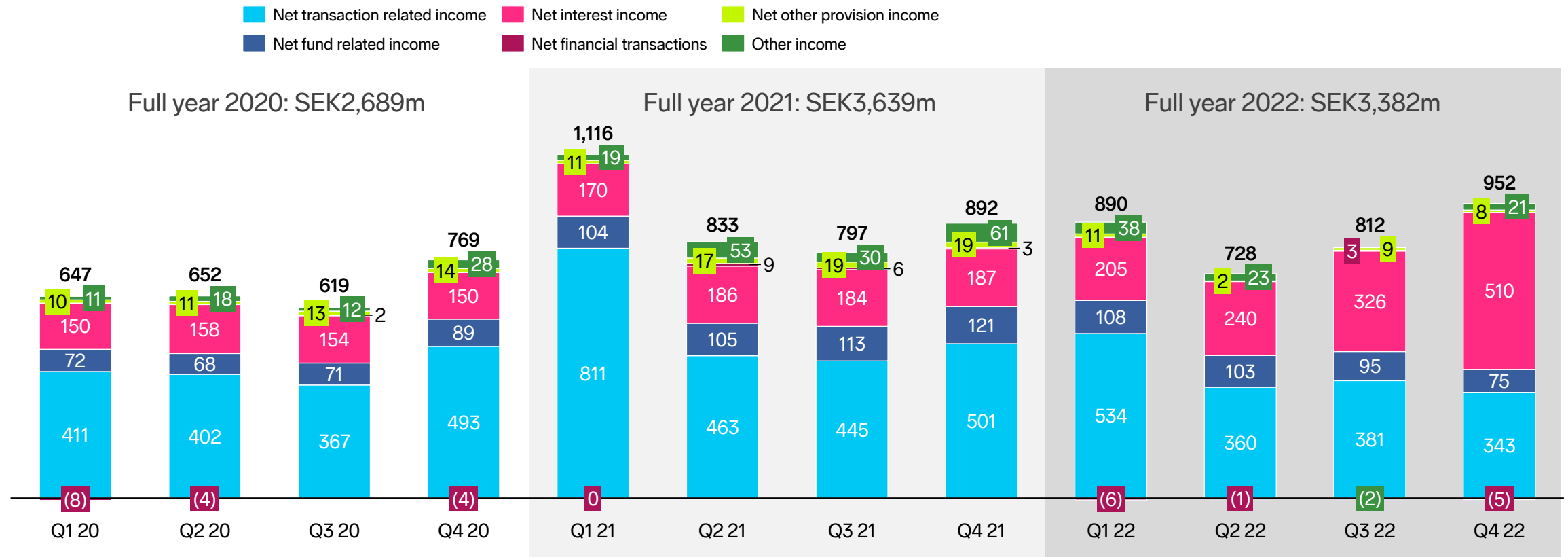
# Financial performance





# Resilient income from diversified revenue streams...

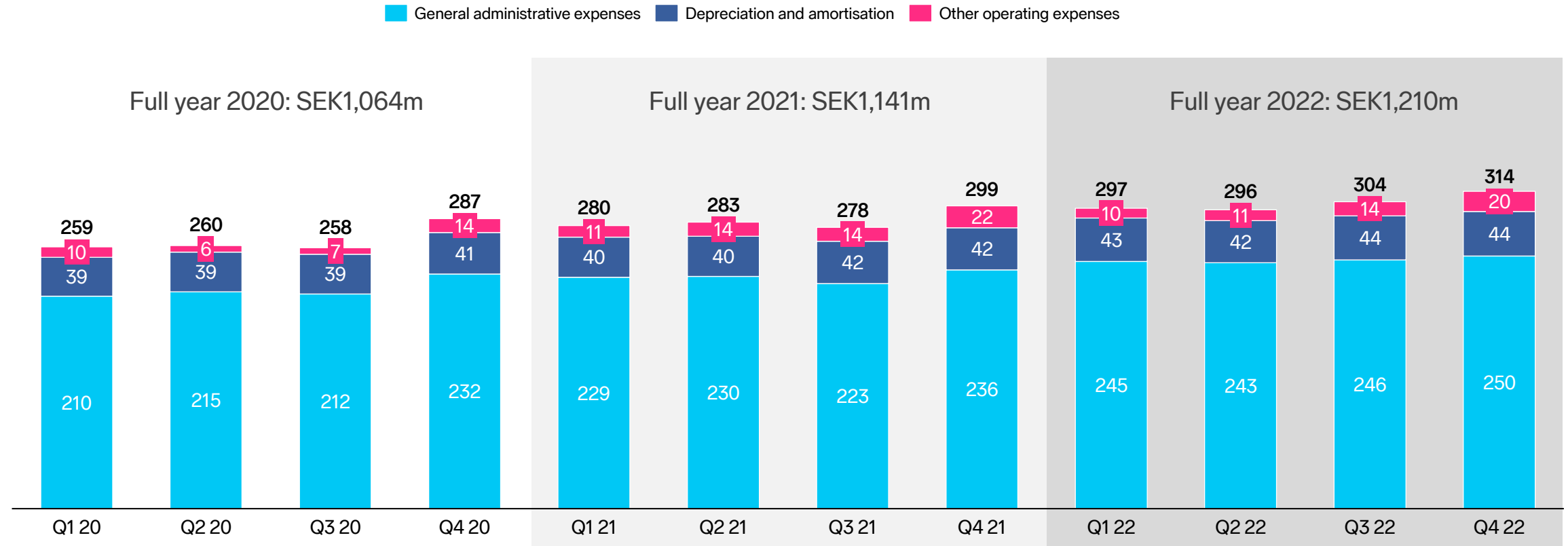
## Adjusted revenue by income stream SEKm



Note: Refer to page 31-32 for additional detail on items affecting comparability.

# ...with good cost control...

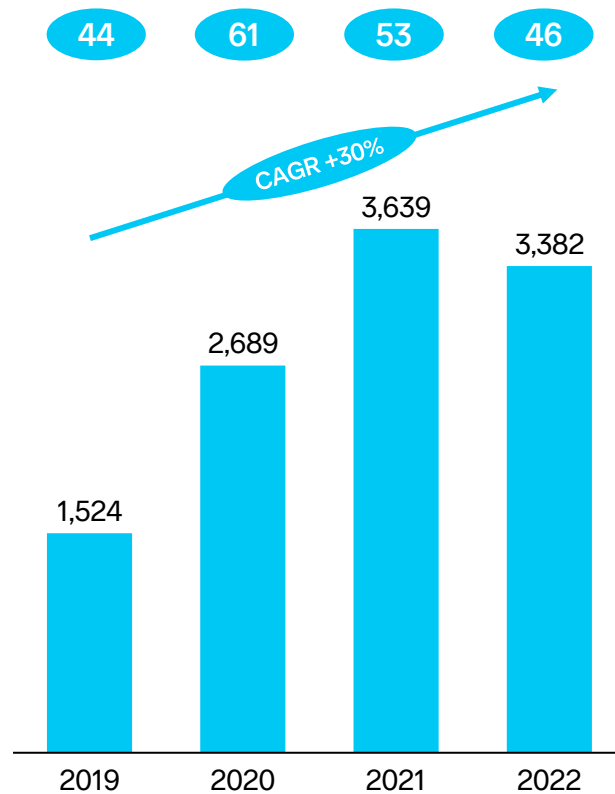
## Adjusted operating expenses SEKm



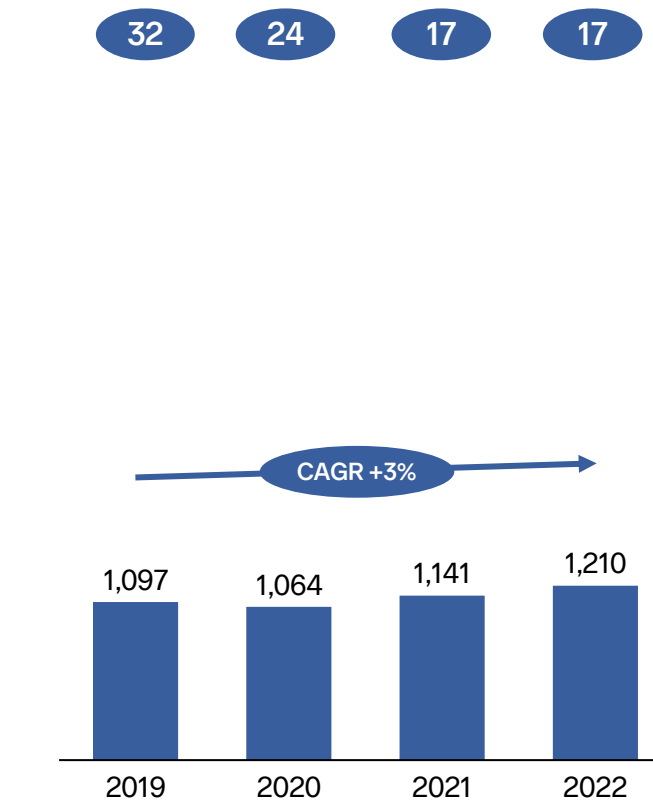
Note: Refer to page 31-32 for additional detail on items affecting comparability.

# ...resulting in considerable operating leverage

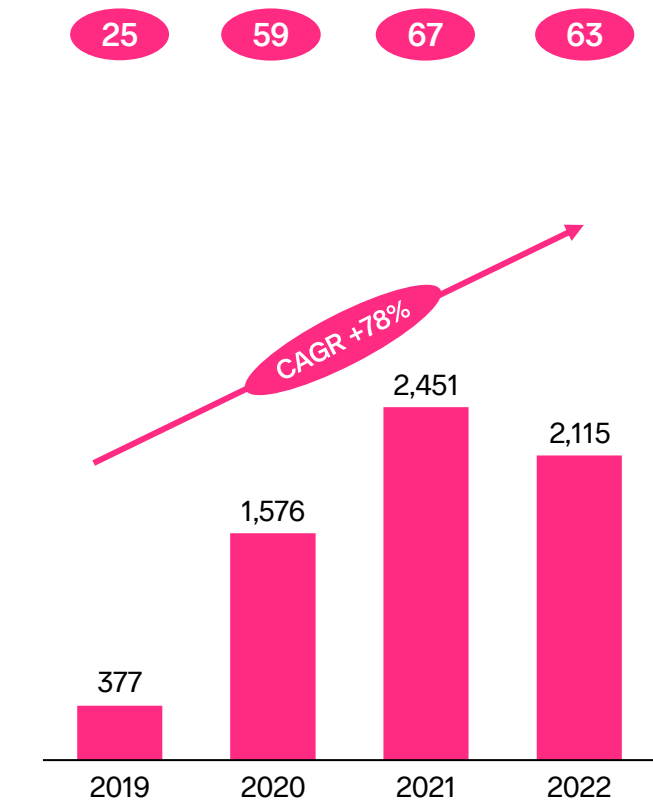
Adjusted revenue  
SEKm





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 31-32 for additional detail on items affecting comparability

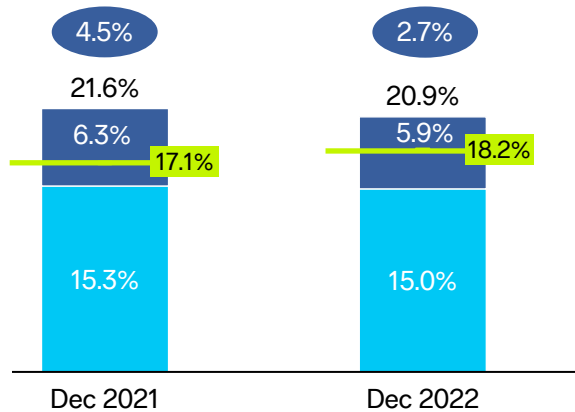
(1) Adjusted revenue divided by average quarterly savings capital over the period; (2) Adjusted operating expenses divided by average quarterly savings capital over the period; (3) Includes amortisation of PPA intangibles and excludes credit losses.

# Maintained capital position

## Total capital ratio

%

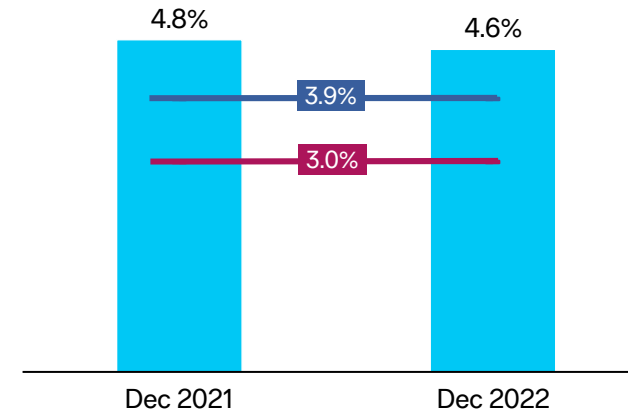
■ Capital requirement    ■ Additional Tier 1 ratio  
■ CET1 ratio    ● Buffer over total capital requirement



## Leverage ratio

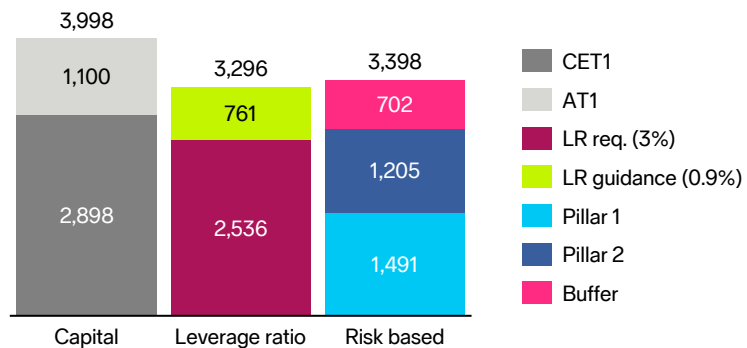
%

■ Leverage ratio    — Requirement including P2 guidance  
— Minimum requirement



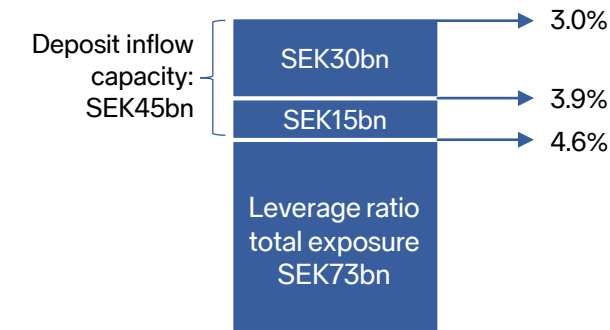
## Risk based & Leverage Ratio requirements

December 2022, SEK million

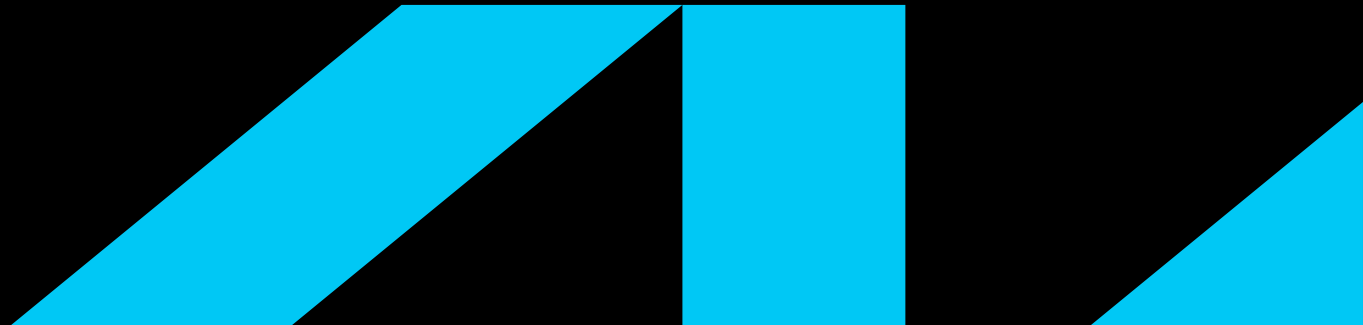


## Leverage Ratio & deposit inflow capacity

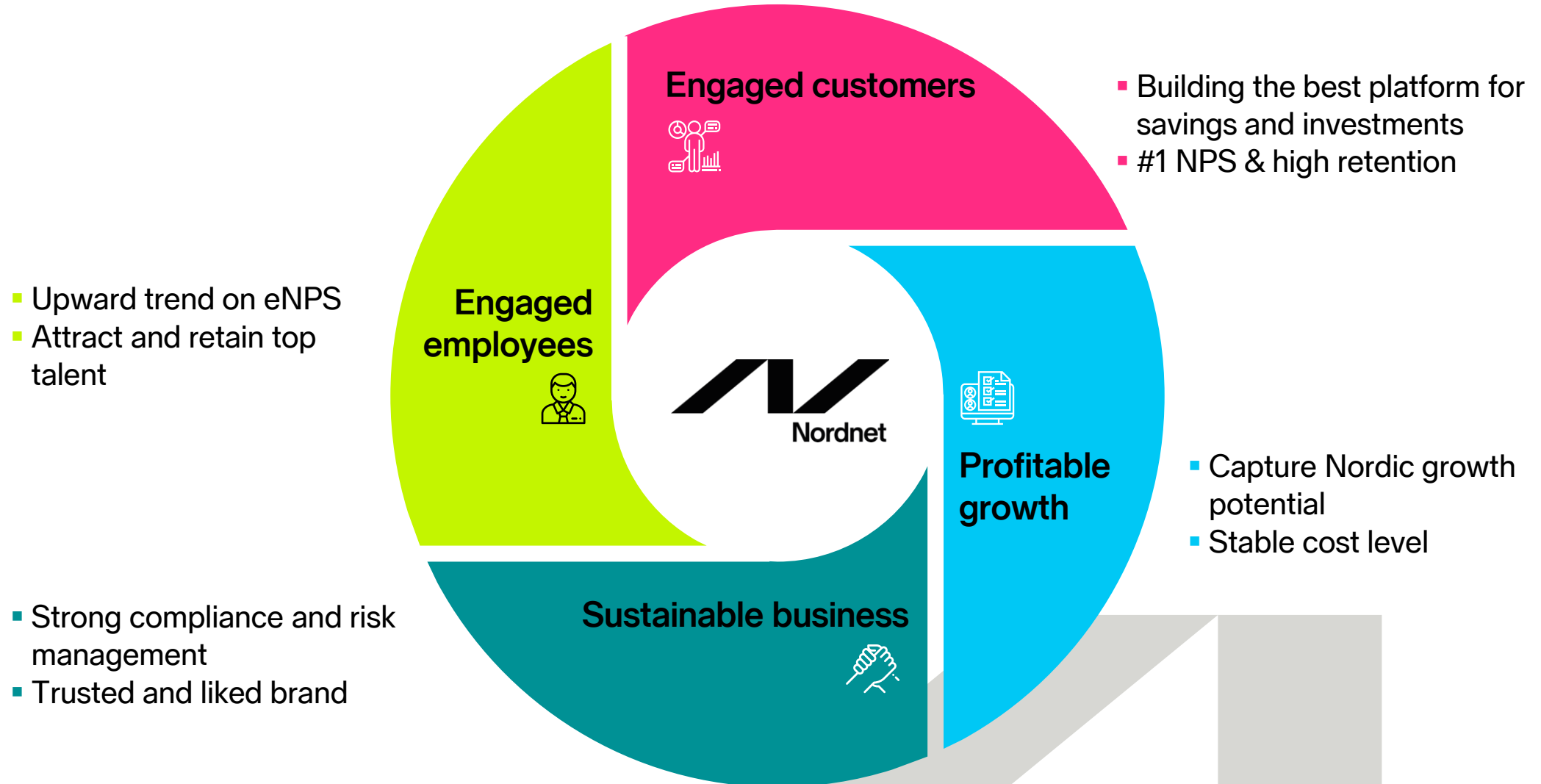
December 2022, SEKbn | %



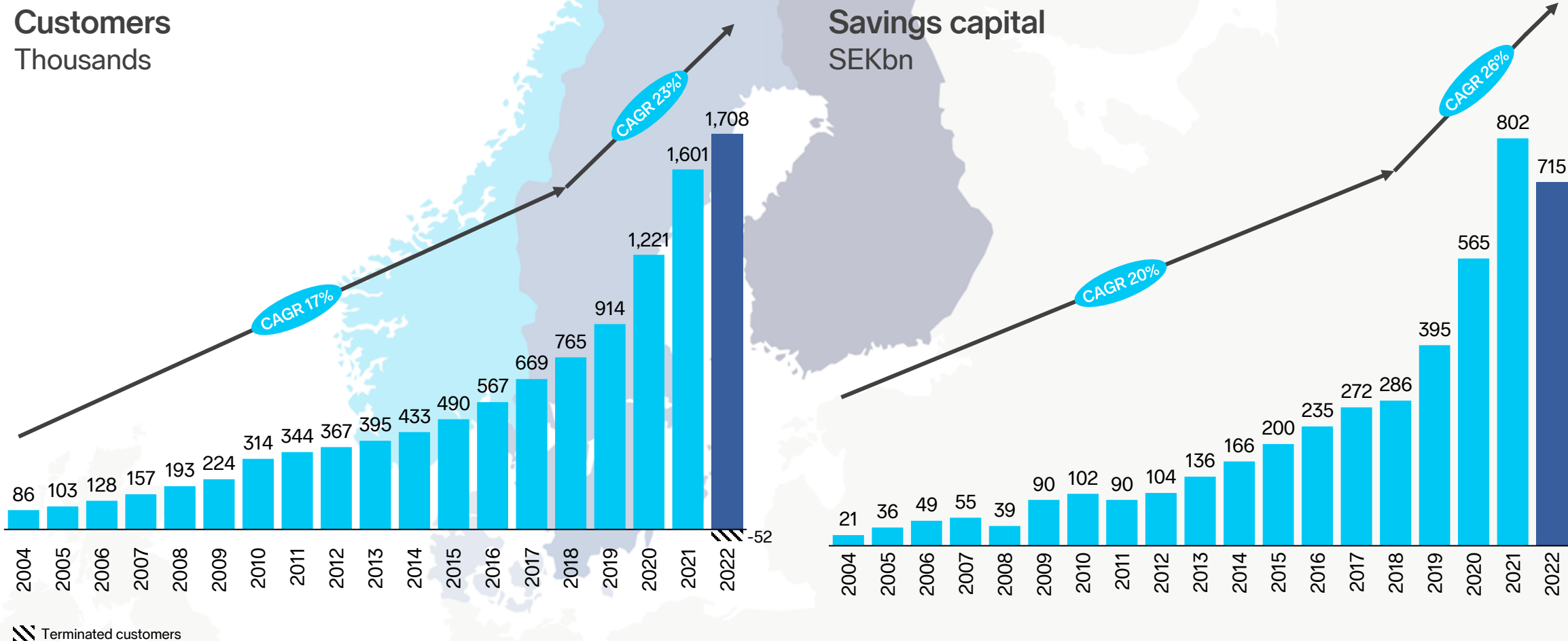
# Strategic focus



# Key strategic ambitions



# Strong long-term growth in customers and savings capital

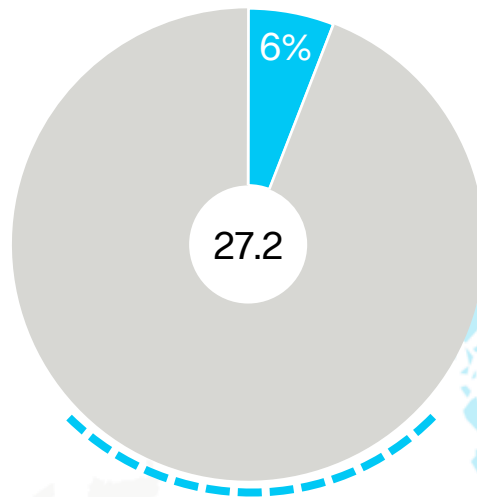


(1) Including the 51 700 customers that during H1 2022 were terminated related to the project concerning the collection of complete customer documentation, CAGR would have been 22%.

# Nordnet is taking market share in a growing market

Share of total population  
December 2021 | Million

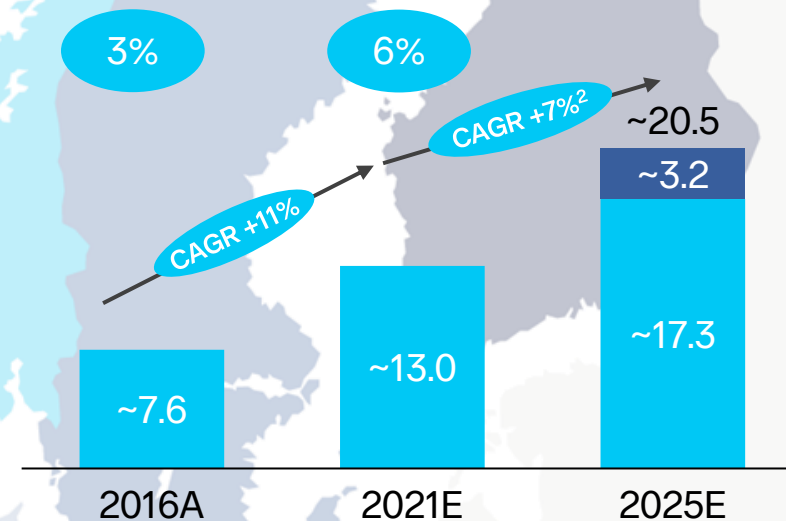
 Nordnet's share





**18%**  
of the population  
own shares<sup>4</sup>

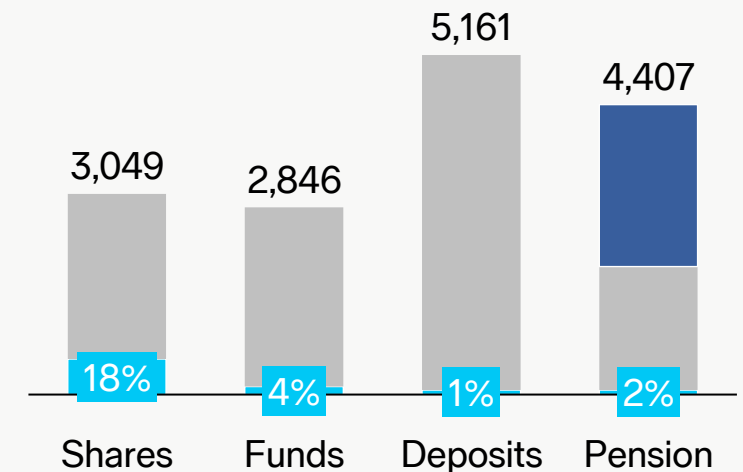
Addressable market growth outlook<sup>1</sup>  
Savings capital, SEKtln

 Market size current  Market size extended  
 Nordnet market share



Market share of addressable market<sup>1</sup>  
December 2021, SEK bn

 Nordnet's share of addressable market<sup>3</sup>  
 Extended market



(1) Source: SCB, Svensk Försäkring, SSB, Finans Norge, Nationalbanken Denmark, Statistics Denmark, Statistics Finland, Finnish centre for pensions, Team analysis; (2) Excludes development in extended market (Finnish wrapper, Danish Livrente); (3) Extended market of Danish Livrente and Finnish wrapper is currently not addressable; Addressable market defined as the estimated part of the overall Nordic savings market that Nordnet caters to with its current product offering; (4) Source: Euroclear Sweden 2020; Euronext Securities Oslo 2021; Euronext Securities Copenhagen 2021; Euroclear Finland 2021.



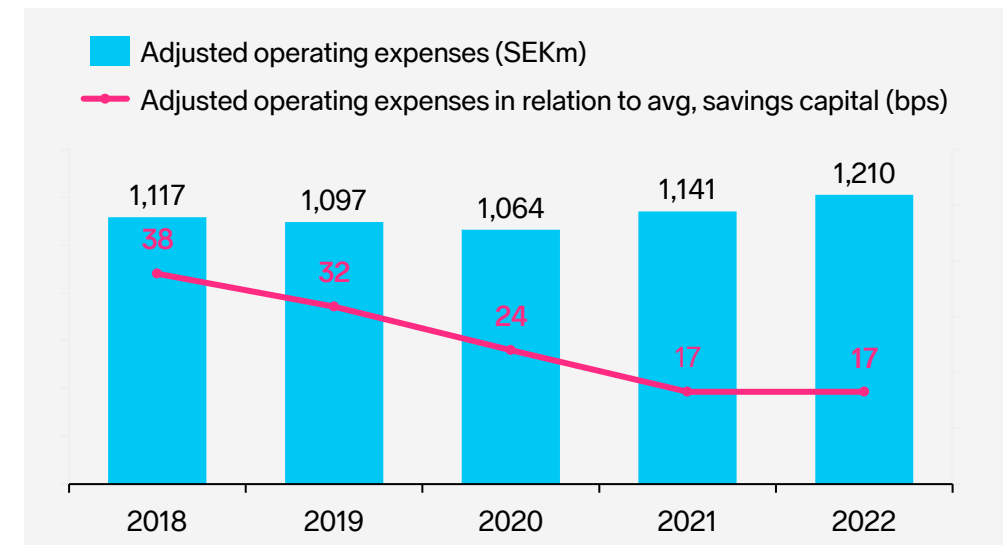
# Rigorous focus on cost discipline to drive operating leverage

## Key drivers of operating leverage

- ✓ Scalable cloud-powered tech platform
- ✓ Process simplification and automation
- ✓ Highly efficient customer growth
- ✓ Manage 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 SEK 16m in 2018, SEK 65m in 2019, SEK 129m in 2020 and SEK 81m in 2022. Adjusted operating expenses includes amortisation of PPA intangibles and excludes credit losses; (2) Based on quarterly average savings capital over the period.

# Updating medium-term financial targets

|   | Previous target | New target |
|---|-----------------|------------|
| Customer growth                                 | 15%             | 10-15%     |
| Average savings capital/customer <sup>1</sup>   | ~450k           | ~420k      |
| Income/savings capital <sup>2</sup>             | ~0.45%          | ~0.55%     |
| Adjusted operating expenses growth <sup>3</sup> | ~5%             | ~5%        |
| Dividend payout                                 | 70%             | 70%        |

Medium term financial targets adjusted to account for new interest rate environment and 2022 stock market performance.

Financial targets assume the following over the medium term:

- Average interest rate of 2%
- Average annual stock market performance of +5%

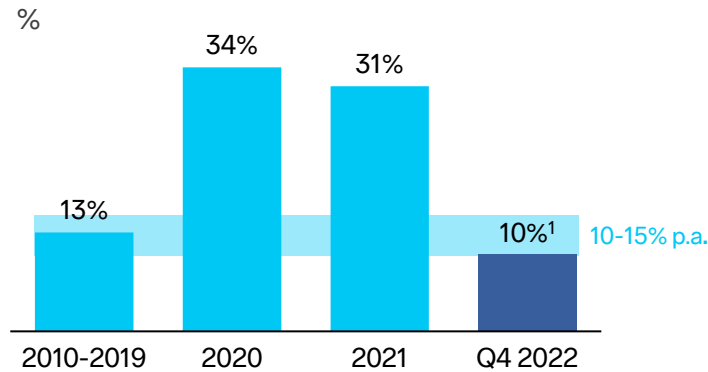
Adjusted operating expenses expected to increase by ~7% in 2023.

(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 31-32 deducting SEK 66m in 2019; (3) Adjusted operating expenses in accordance with reconciliation on page 31-32. Includes amortisation of PPA intangibles and excludes credit losses.

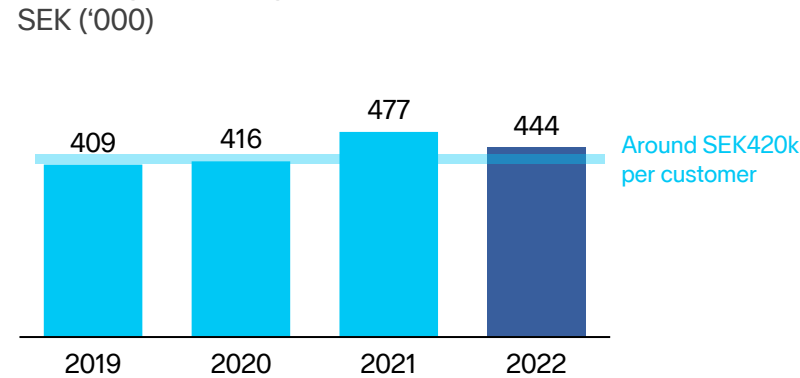
# Medium-term financial targets

Target

## Customer growth



## Average savings capital per customer<sup>2</sup>

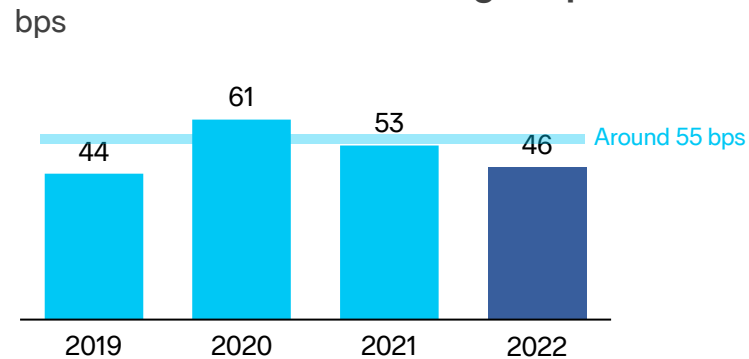


## Dividend payout ratio

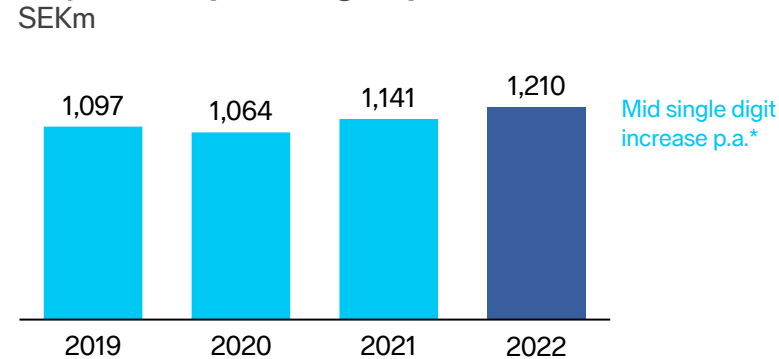
%

“Deliver superior total returns to shareholders via a pay-out ratio of 70% of statutory net income, translating to a pay-out of SEK 4.60 per share for 2022”

## Income in relation to savings capital<sup>3</sup>



## Adjusted operating expenses<sup>4</sup>



Financial targets assume the following over the medium term:

- Average interest rate of 2%
- Average annual stock market performance of +5%

\*Adjusted operating expenses expected to increase by ~7% in 2023.

(1) Customer growth in the last 12 months was 7% including the 51,700 customers that during H1 2022 were terminated in connection with a project concerning the collection of complete customer documentation; (2) Average quarterly savings capital per customer over the last twelve months; (3) Adjusted revenues in the last twelve months divided by the average quarterly savings capital over the same period in accordance with reconciliation on page 31-32 deducting SEK 66m in 2019; (4) Adjusted operating expenses in accordance with reconciliation on page 31-32. Includes amortisation of PPA intangibles and excludes credit losses.

# Key priorities for 2023

Launch Finnish endowment wrapper

Lay foundation for Danish livrente pension product

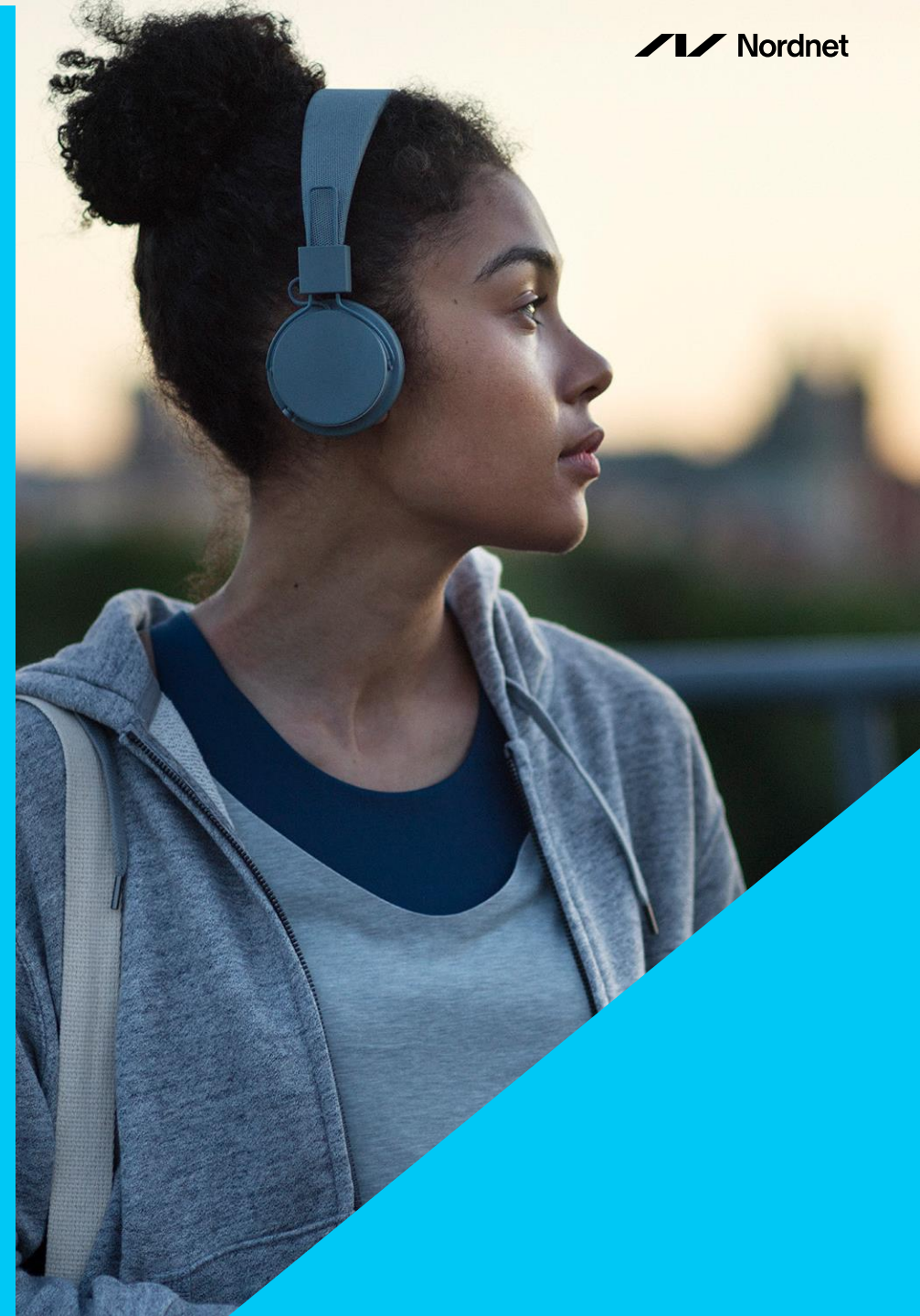
Integrate Shareville app and web

Expand Nordnet-branded fund offering

Maintain focus on cost control



Thank you



# Financial highlights fourth quarter 2022

| SEKm unless otherwise stated         | Q4 2022   | Q3 2022   | QoQ % | Q4 2021   | YoY %            |
|--------------------------------------|-----------|-----------|-------|-----------|------------------|
| <b>Condensed P&amp;L<sup>1</sup></b> |           |           |       |           |                  |
| Adjusted total income                | 952       | 812       | 17%   | 892       | 7%               |
| Adjusted operating expenses          | (314)     | (304)     | 3%    | (299)     | 5%               |
| Adjusted profit before tax           | 624       | 491       | 27%   | 578       | 8%               |
| <b>KPIs</b>                          |           |           |       |           |                  |
| New customers                        | +30,300   | +34,500   | (12%) | +63,800   | (52%)            |
| Customers                            | 1,707,800 | 1,677,500 | 2%    | 1,601,000 | 10% <sup>2</sup> |
| Net savings (SEKbn)                  | 0.9       | 5.8       | (85%) | 18.7      | (95%)            |
| Savings capital (SEKbn)              | 714.8     | 680.7     | 5%    | 801.6     | (11%)            |

(1) Refer to page 31-32 for additional detail on items affecting comparability; (2) Customer growth compared to Q4 2021 was 7% including 51,700 customers who during H1 2022 were terminated in connection with a project concerning the collection of complete customer documentation, which is described in Nordnet's interim report for the third quarter 2021.

# Summary P&L

| SEKm  | Q4 2022      | Q3 2022      | QoQ %      | Q4 2021      | YoY %      | 2022           | 2021           | YoY %        |
|---|--------------|--------------|------------|--------------|------------|----------------|----------------|--------------|
| <b>Adjusted total income</b>  | <b>952</b>   | <b>812</b>   | <b>17%</b> | <b>892</b>   | <b>7%</b>  | <b>3 382</b>   | <b>3 639</b>   | <b>(7%)</b>  |
| <b>Adjusted operating expenses</b>  | <b>(314)</b> | <b>(304)</b> | <b>3%</b>  | <b>(299)</b> | <b>5%</b>  | <b>(1 210)</b> | <b>(1 141)</b> | <b>6%</b>    |
| Net credit losses   | (11)         | (14)         | (20%)      | (12)         | (11%)      | (43)           | (36)           | 19%          |
| Imposed levies: Resolution fees   | (3)          | (3)          | 0%         | (3)          | 23%        | (13)           | (10)           | 30%          |
| <b>Adjusted profit before tax</b>   | <b>624</b>   | <b>491</b>   | <b>27%</b> | <b>578</b>   | <b>8%</b>  | <b>2 115</b>   | <b>2 451</b>   | <b>(14%)</b> |
| Items affecting comparability (IAC), income   |              |              |            |              |            |                |                |              |
| Items affecting comparability (IAC), expenses   | (1)          | (4)          |            |              |            | (81)           |                |              |
| <b>Reported profit before tax</b>   | <b>623</b>   | <b>488</b>   | <b>28%</b> | <b>578</b>   | <b>8%</b>  | <b>2 034</b>   | <b>2 451</b>   | <b>(17%)</b> |
| Tax   | (108)        | (87)         | 24%        | (109)        | (1%)       | (382)          | (467)          | (18%)        |
| <b>Reported net income</b>  | <b>514</b>   | <b>400</b>   | <b>28%</b> | <b>469</b>   | <b>10%</b> | <b>1 652</b>   | <b>1 985</b>   | <b>(17%)</b> |
| <b>Adjusted net income excl, IAC</b>  | <b>515</b>   | <b>403</b>   | <b>28%</b> | <b>469</b>   | <b>10%</b> | <b>1 737</b>   | <b>1 985</b>   | <b>(12%)</b> |
| <b>Adjusted net income excl, IAC and<br/>amortisation of intangible assets due to PPA</b> | <b>521</b>   | <b>409</b>   | <b>27%</b> | <b>476</b>   | <b>9%</b>  | <b>1 762</b>   | <b>2 013</b>   | <b>(12%)</b> |

Note: Refer to page 32 for additional detail on items affecting comparability.

# Items affecting comparability

| SEKm   | Q4<br>2022 | Q3<br>2022 | Q2<br>2022   | Q1<br>2022 | Q4<br>2020  | Q3<br>2020  | Q2<br>2020  | Q1<br>2020 | FY<br>2022  | FY<br>2021 | FY<br>2020   | FY<br>2019 | FY<br>2018  | FY<br>2017  |
|--|------------|------------|--------------|------------|-------------|-------------|-------------|------------|-------------|------------|--------------|------------|-------------|-------------|
| <b>Non-recurring items – Expenses</b>                    |            |            |              |            |             |             |             |            |             |            |              |            |             |             |
| Delisting from Nasdaq                                    |            |            |              |            |             |             |             |            |             |            |              |            |             | (45)        |
| Acquisition of Netfonds                                  |            |            |              |            |             |             |             |            |             |            | -            | (35)       | (16)        |             |
| Deduction right VAT                                      |            |            |              | 38         |             | (9)         | (11)        |            | 38          |            | (20)         | (30)       |             |             |
| AML process upgrade                                      | (1)        | (4)        | (10)         | (4)        |             |             |             |            | (19)        |            |              |            |             |             |
| IPO related expenses                                     |            |            |              |            | (99)        | (10)        |             |            | (100)       |            | (109)        | -          |             |             |
| Sanction SFSA  |            |            | (100)        |            |             |             |             |            |             |            |              |            |             |             |
| <b>Non-recurring items – Income</b>                      |            |            |              |            |             |             |             |            |             |            |              |            |             |             |
| Revaluation of the shareholdings in Tink AB <sup>1</sup> |            |            |              |            |             |             |             |            |             |            | -            | 66         |             |             |
| <b>Total</b>   | <b>(1)</b> | <b>(4)</b> | <b>(110)</b> | <b>33</b>  | <b>(99)</b> | <b>(19)</b> | <b>(11)</b> | <b>-</b>   | <b>(81)</b> | <b>-</b>   | <b>(129)</b> | <b>1</b>   | <b>(16)</b> | <b>(45)</b> |

(1) The shareholding was divested in 2019.



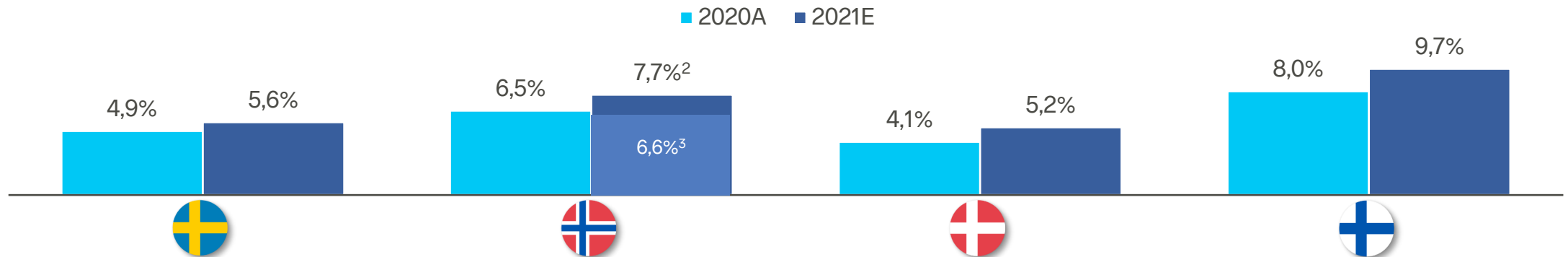
# Strong customer satisfaction driving market share gains

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

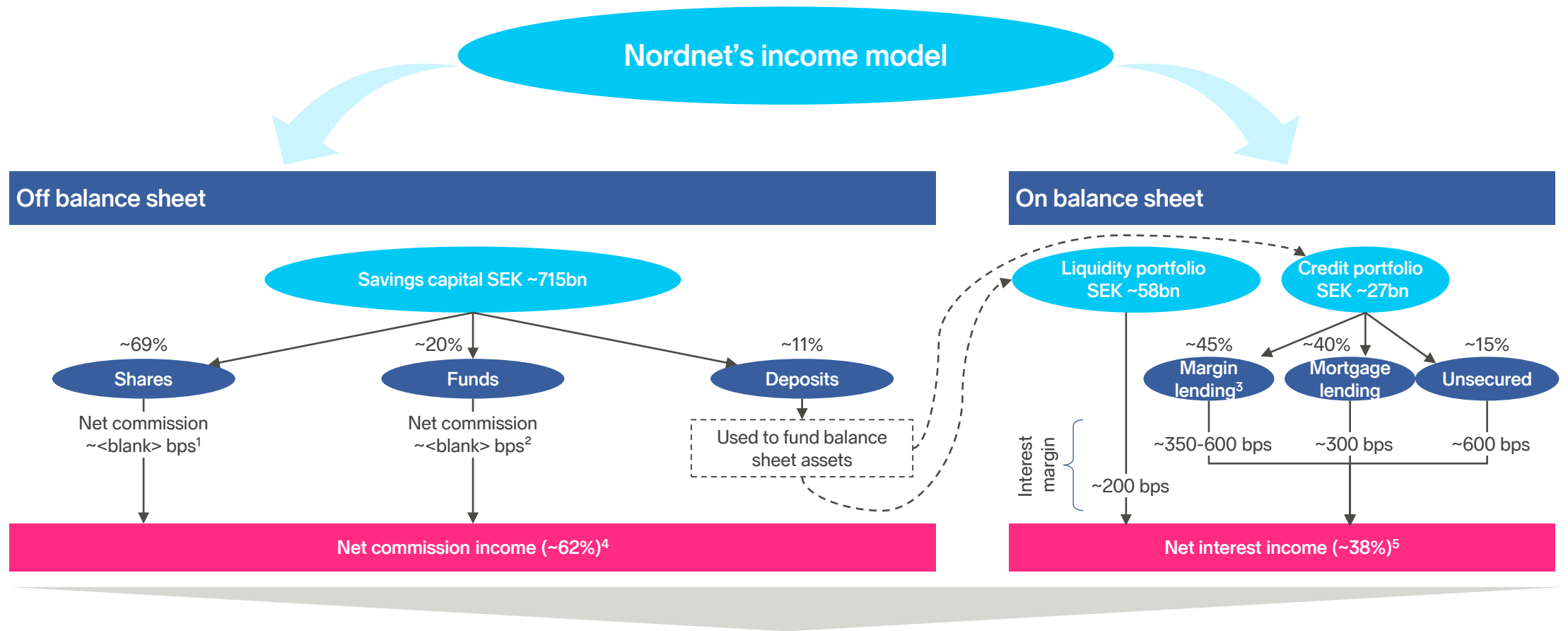


...which translates into increasing market shares across our geographies

Market share based savings capital in relation to total addressable market



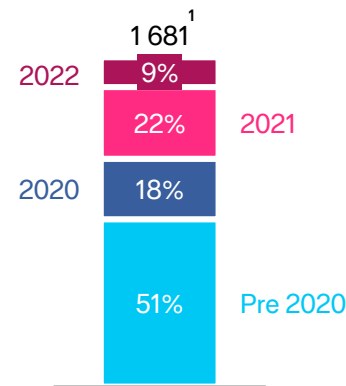
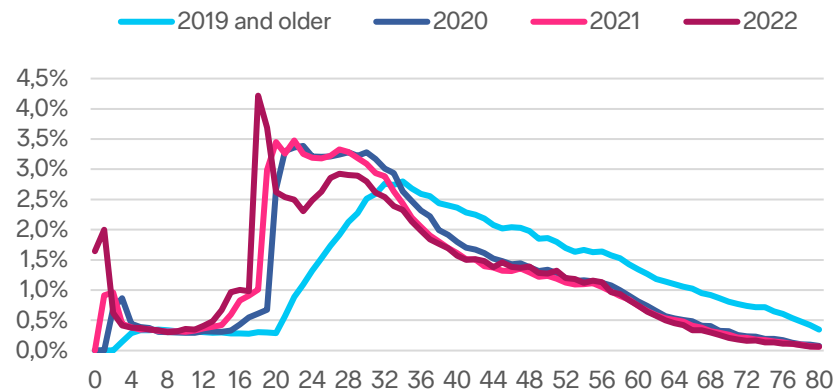
# Nordnet has a capital light business model



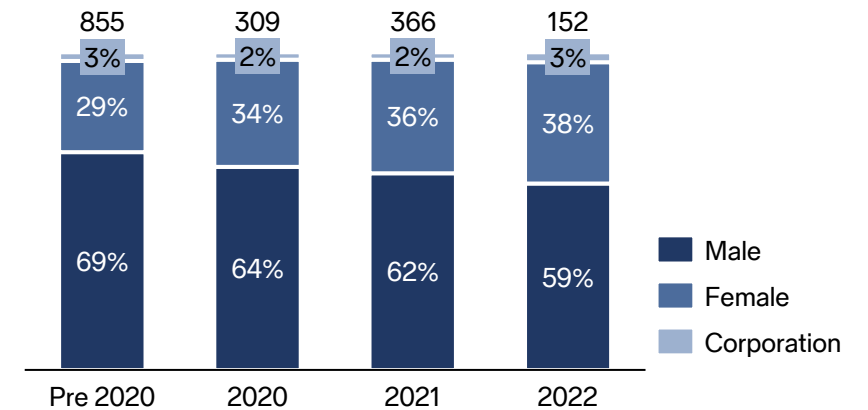
*Savings capital is the single most important driver of Nordnet's income*

# Pandemic-era customers are younger, higher share of women and own more funds

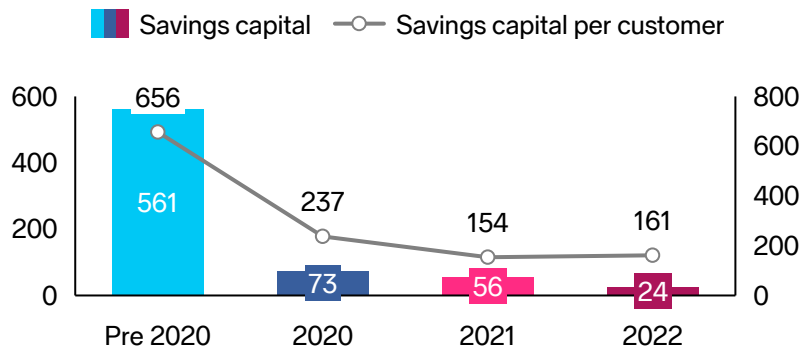
Share of customers per cohort and age<sup>1</sup>  
%



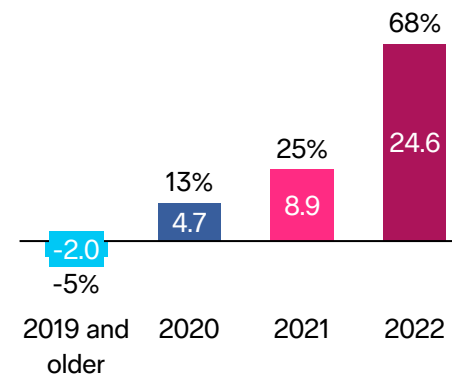
Share of customers by cohort and gender<sup>1</sup>  
('000)



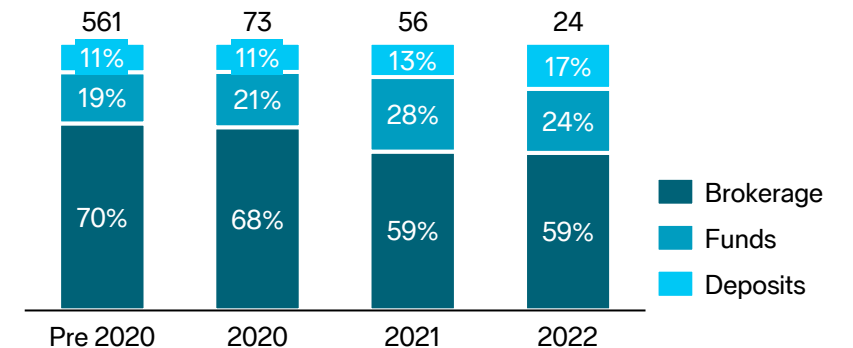
Savings capital per customer Dec 2022<sup>1</sup>  
SEKbn | SEKk (RHS)



Net savings 2022  
SEKbn | % of total



Share of savings capital by cohort and asset type  
SEKbn

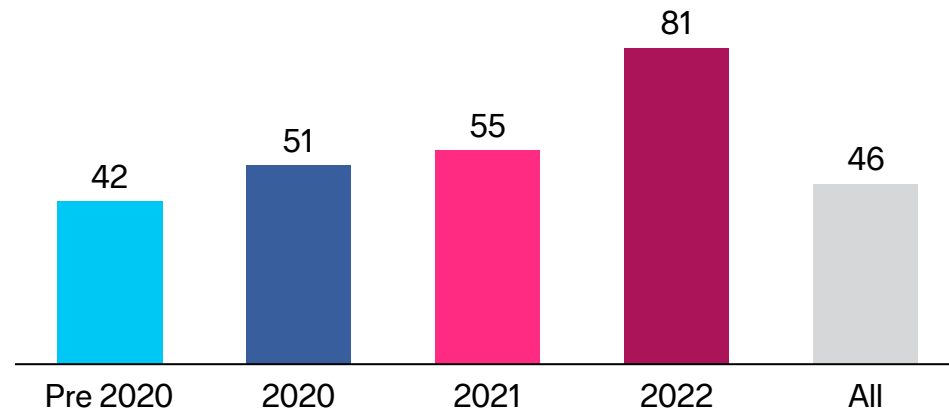


(1) Excludes customers who only carry an unsecured loan, companies and private customers > 80 years

# Pandemic-era customers remain active, grow net savings and drive high margins

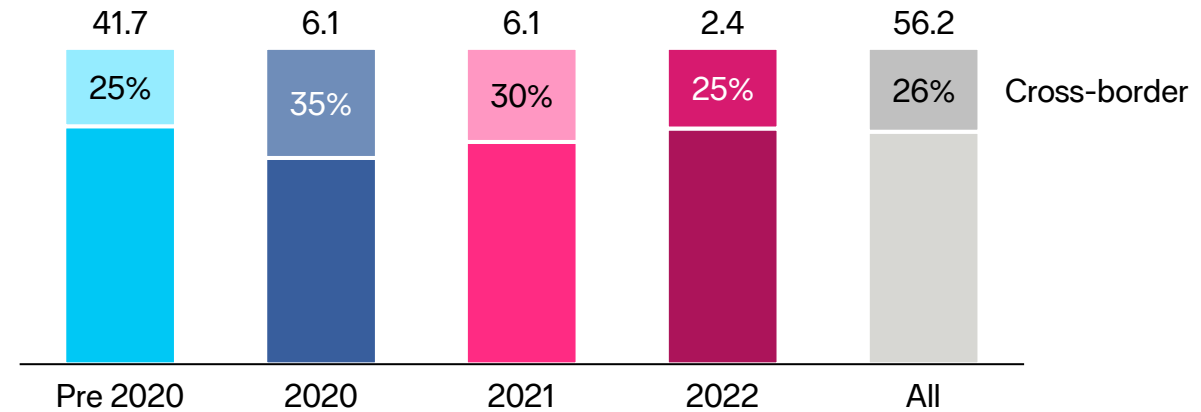
Revenue margin 2022

bps



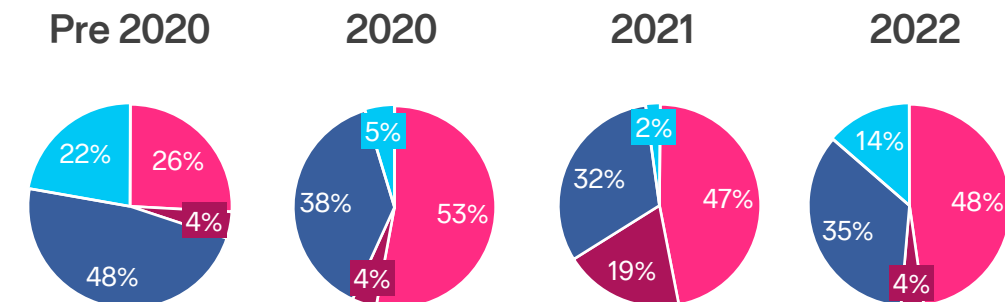
Share of cross-border trades 2022

% | million trades



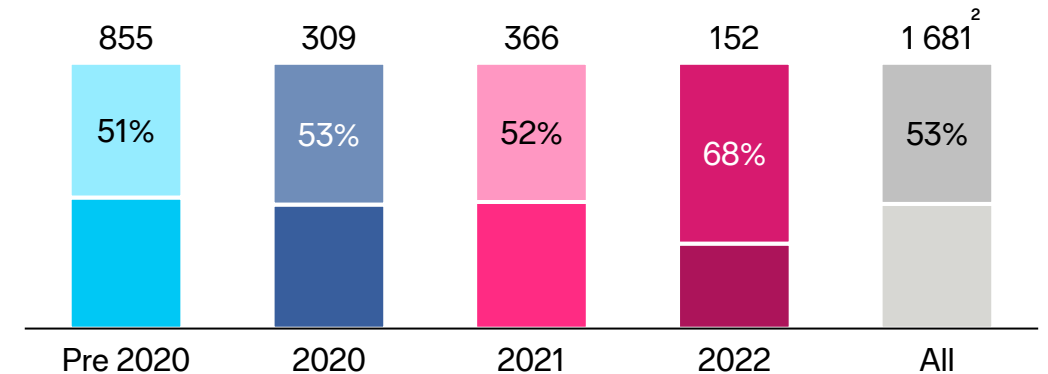
Share of trades per application 2022

%



Share of customers trading during 2022<sup>1</sup>

% | Thousand customers

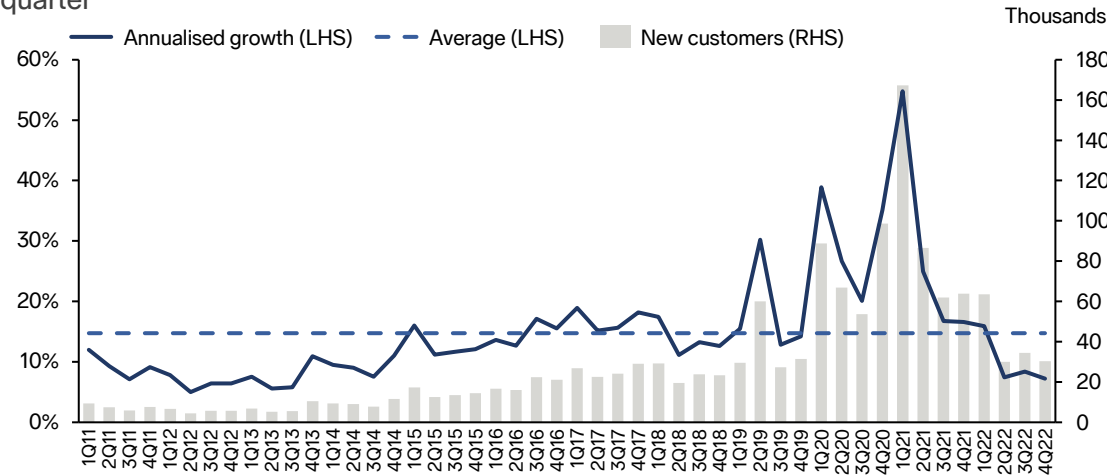


(1) Number of unique customers making at least one trade during the period divided by number of customers end of the period; (2) Excludes customers who only carry an unsecured loan.

# Strong cost control drives profit despite negative macro

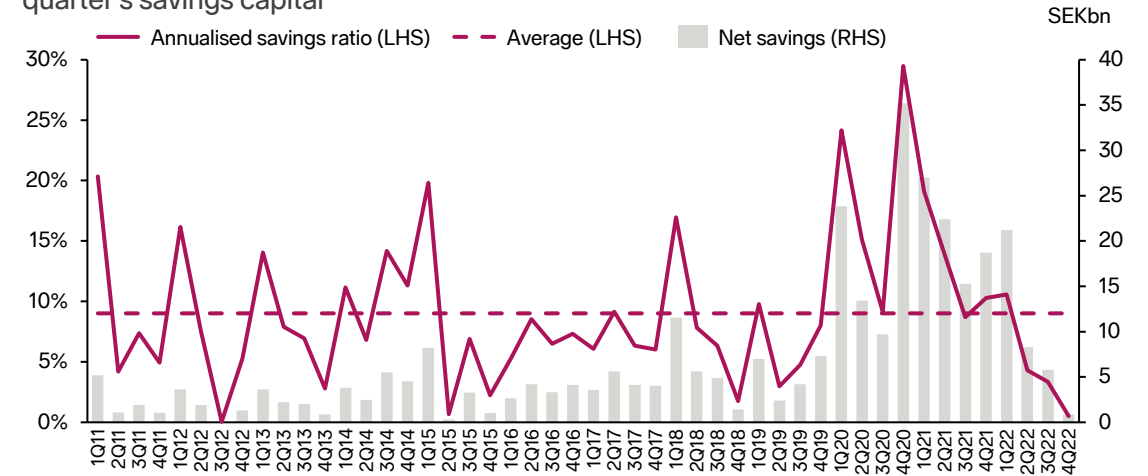
## Annualised customer growth

Annualised quarterly customer increase in relation to previous quarter

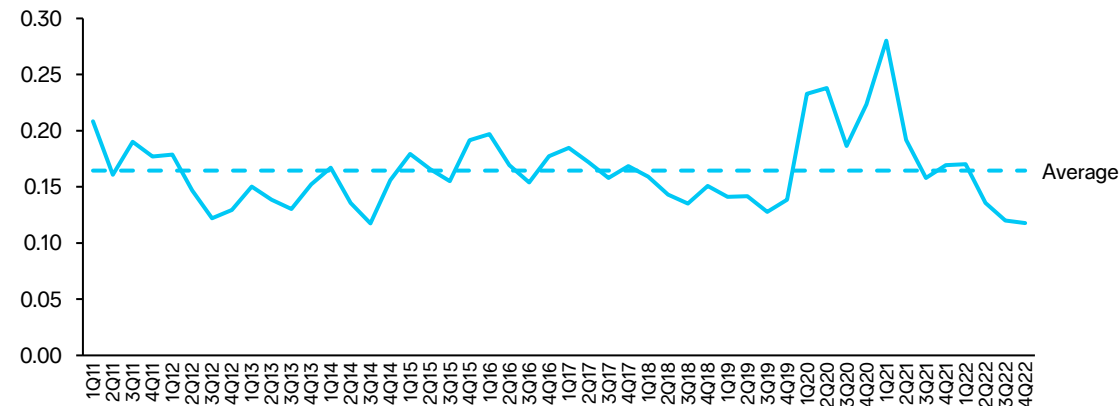


## Annualised savings ratio

Annualised quarterly net savings in relation to previous quarter's savings capital

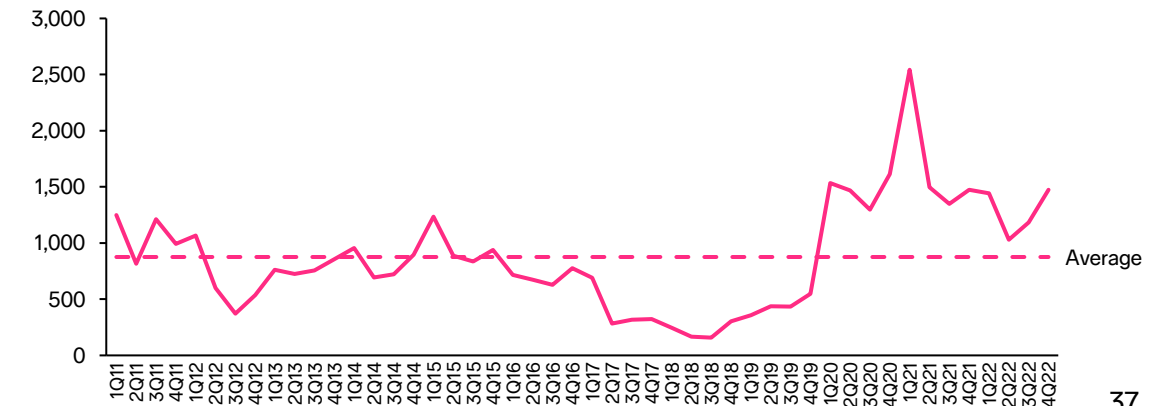


## Trades per customer per trading day



## Annualised profit per customer (SEK)

Annualised quarterly adjusted profit before tax in relation to number of customers



# Sustainability embedded in Nordnet's DNA

## A responsible and sustainable business

DECENT WORK AND ECONOMIC GROWTH



RESPONSIBLE CONSUMPTION AND PRODUCTION



PEACE, JUSTICE AND STRONG INSTITUTIONS



- Practice transparency, compliance and a high ethical standard
- Reduce negative impact on the environment and climate
- Promote physical and mental health through a good working environment

## Equality and diversity

GENDER EQUALITY



DECENT WORK AND ECONOMIC GROWTH



REDUCED INEQUALITIES



- A better gender distribution within savings & investments
- A workplace characterized by gender equality and diversity
- Create a meaningful professional future for young people

## Democratize savings and investments

QUALITY EDUCATION



DECENT WORK AND ECONOMIC GROWTH



INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Increase the general knowledge about personal finances
- Develop user-friendly and inspirational services for saving and investments
- Become the leading platform in the Nordics for sustainable savings

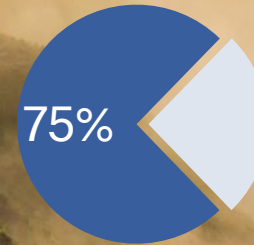


# Ambition: The leading Nordic platform for sustainable savings

Having a broad set of sustainable investment alternatives

Making it easier for savers to invest more sustainably by creating user-friendly digital tools

Share of fund capital in sustainable funds\*



Share of fund capital in “dark green”\* funds



Proportion of female customers

**32.8%**