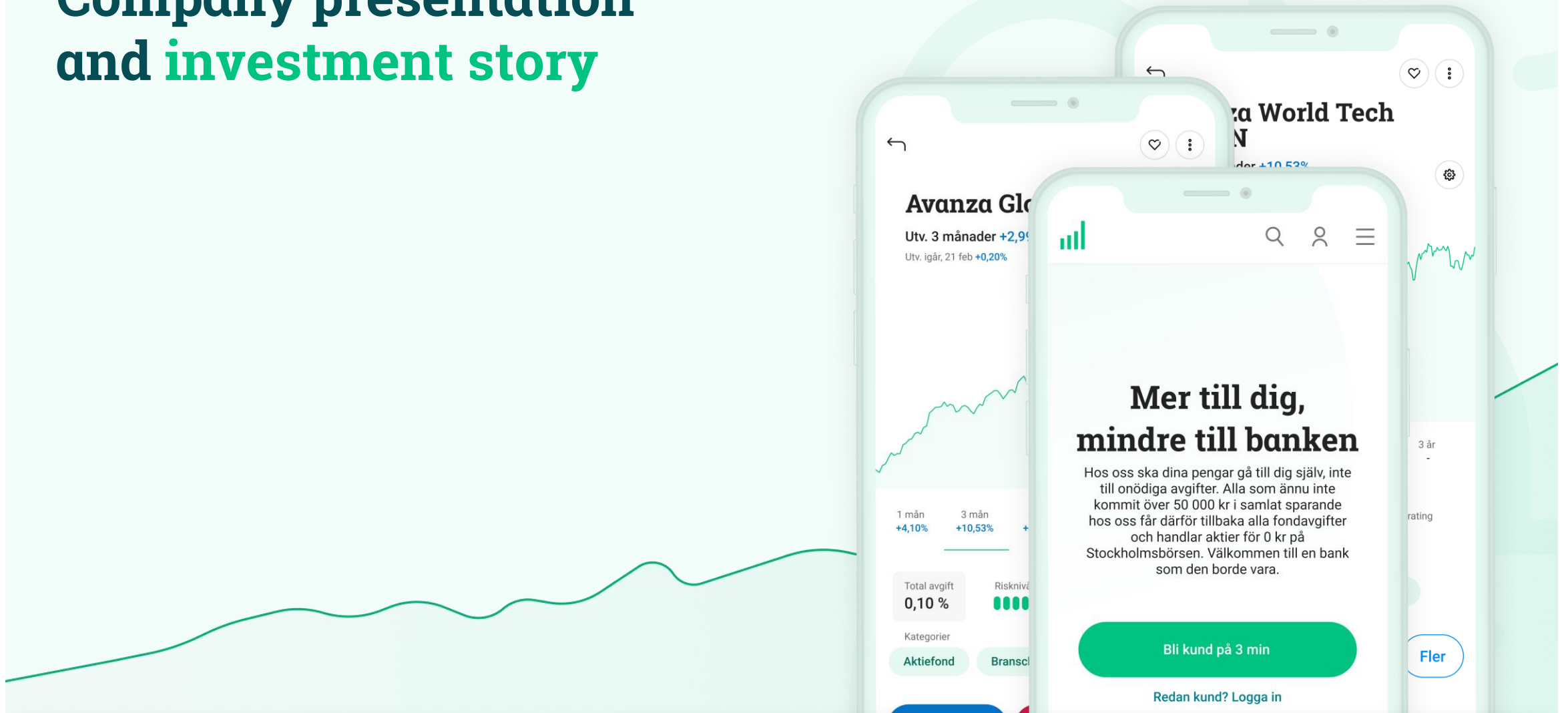
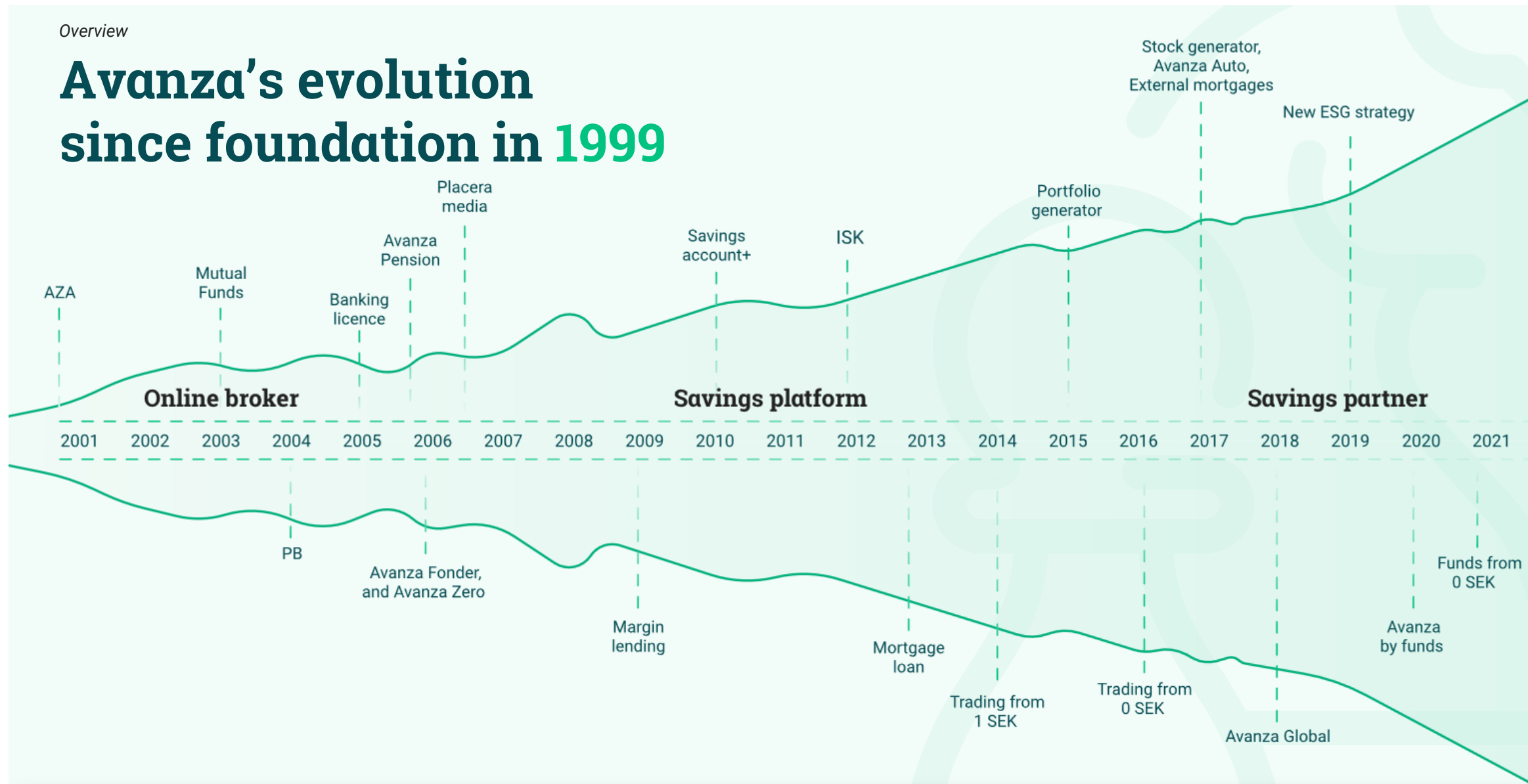


February 2023

Company presentation and investment story



Avanza's evolution since foundation in 1999



Sweden's **leading** platform for savings and investments

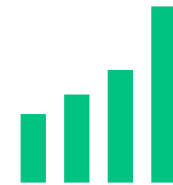


No. 1 long-term target to have the
most satisfied savings customers in Sweden –
won for the last 13 consecutive years



1,790,800
customers

SEK 712 bn
in savings
capital



635
employees and
eNPS of
58

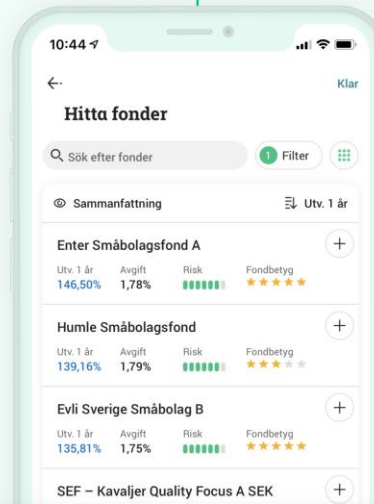
6.3% market share of the
Swedish savings market

Over 80 000 investment opportunities, together with decision-making tools, inspiration and education

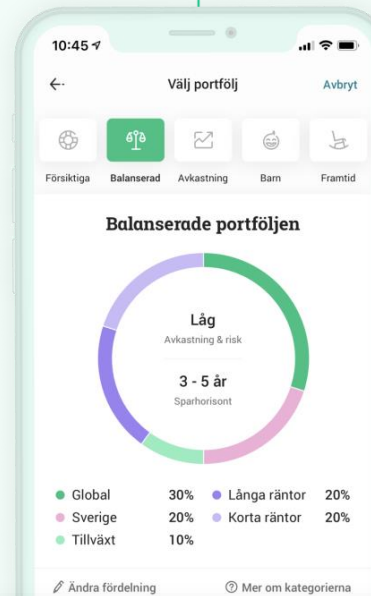
Securities trading



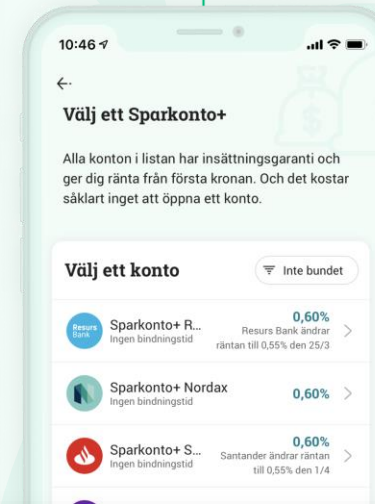
Mutual funds



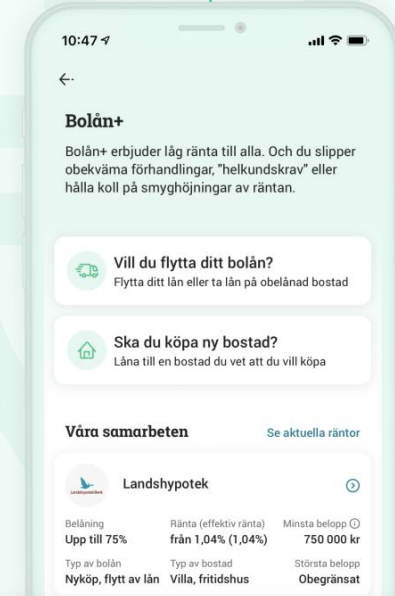
Retirement plans



Savings accounts

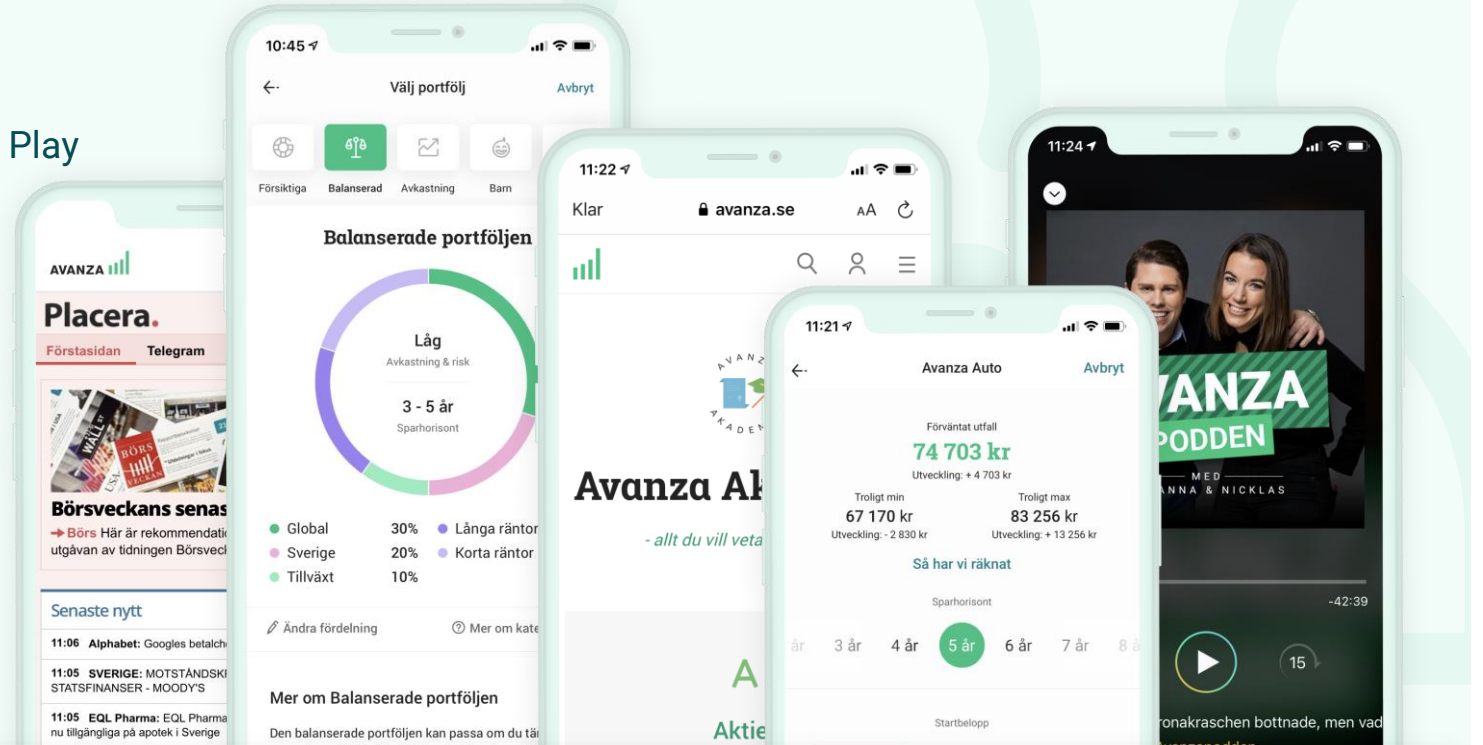


Mortgages and margin lending



We focus on decision-making tools for our customers

- The Avanza Academy
- The Avanza blog, podcasts and Avanza Play
- Auto funds
- Portfolio generator
- Stock generator
- Independent news site Placera



Capital light, fee-based business model

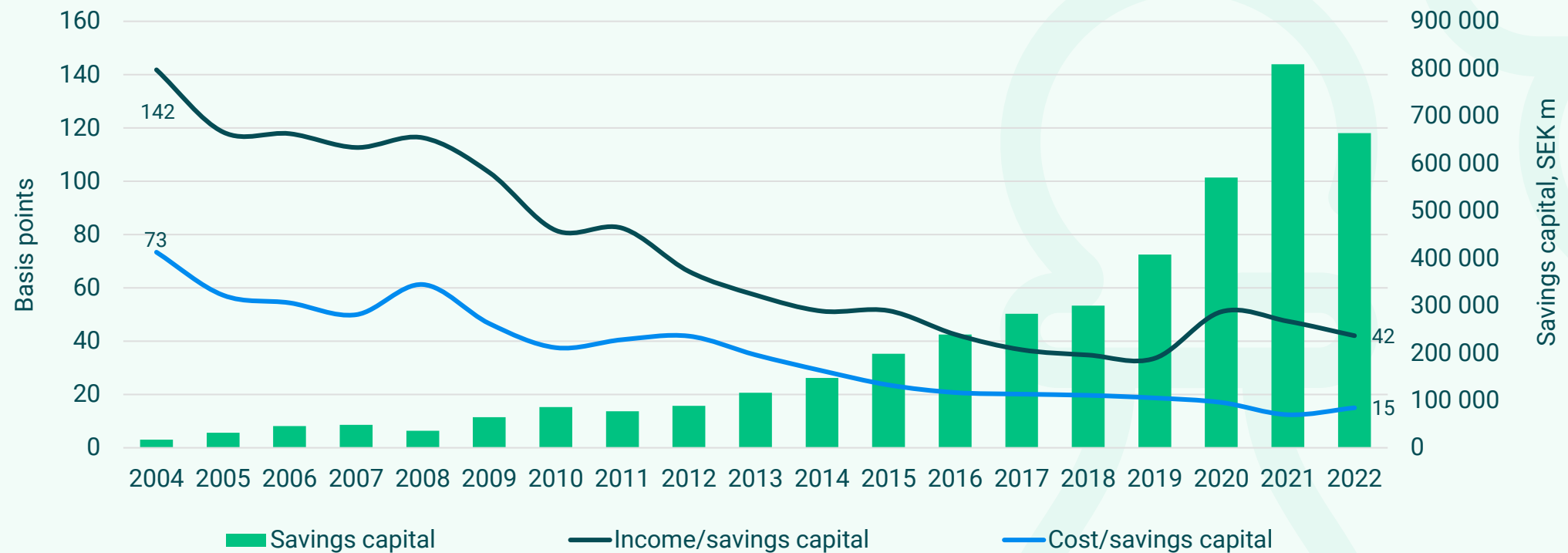
| 2022 | % of income |
|---------------------------------|-------------|
| Net brokerage income | 32 |
| Fund commissions, net | 19 |
| Currency-related income, net | 12 |
| Net interest income (NII) | 27 |
| Other income, net ¹⁾ | 10 |

1) Mainly income from Avanza Markets and Corporate Finance, but also stock lending, compensation for distribution, advertising sales, subscriptions and customer's add-on services.

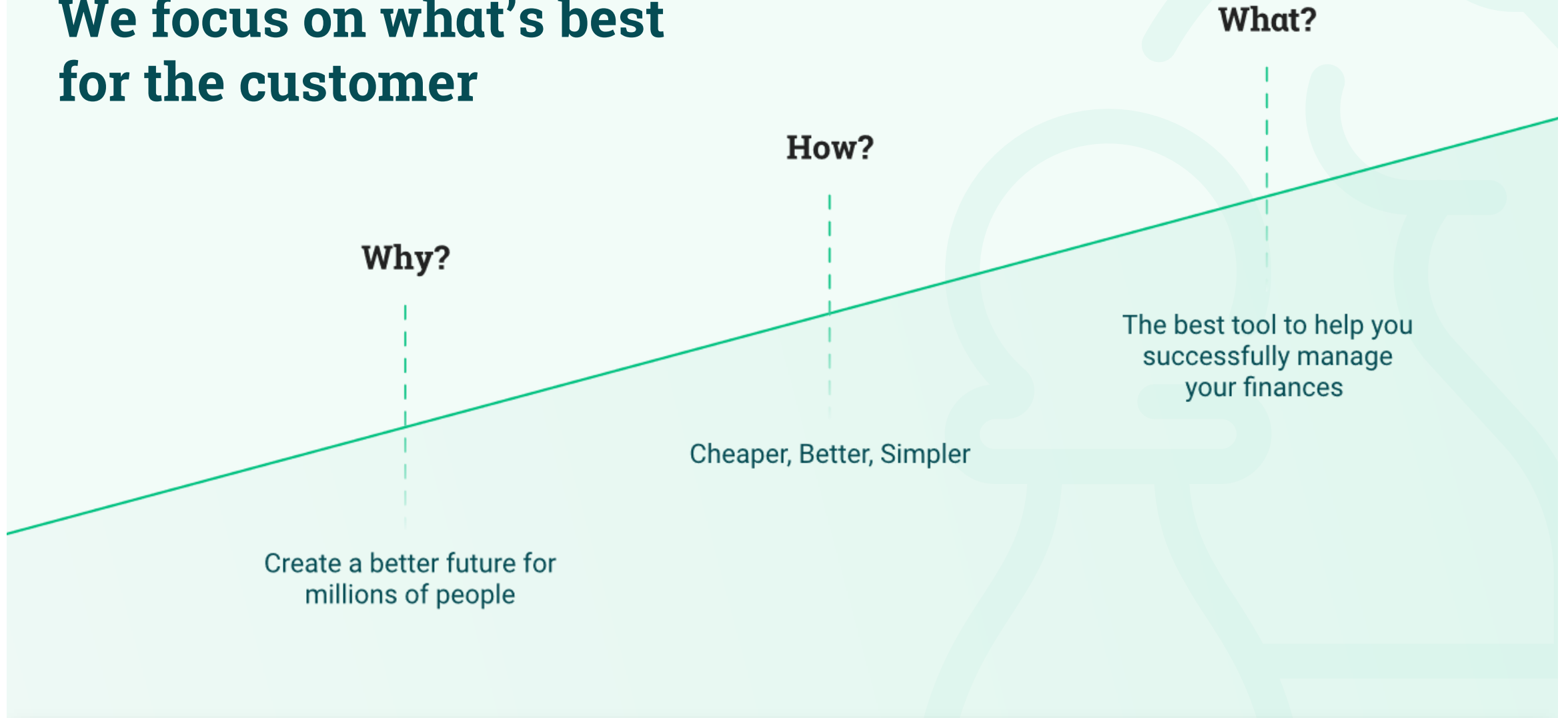
2) Calculated on volumes and policy rate as per 31 December.

- Mainly fixed costs, ~70% staff related
- High scalability
- Self-financed through shareholders' equity and customer deposits
- High interest rate sensitivity. 100 bps decrease or raise of the policy rate would affect FY NII by SEK -270 or SEK 580 million²⁾

Business model built on scale

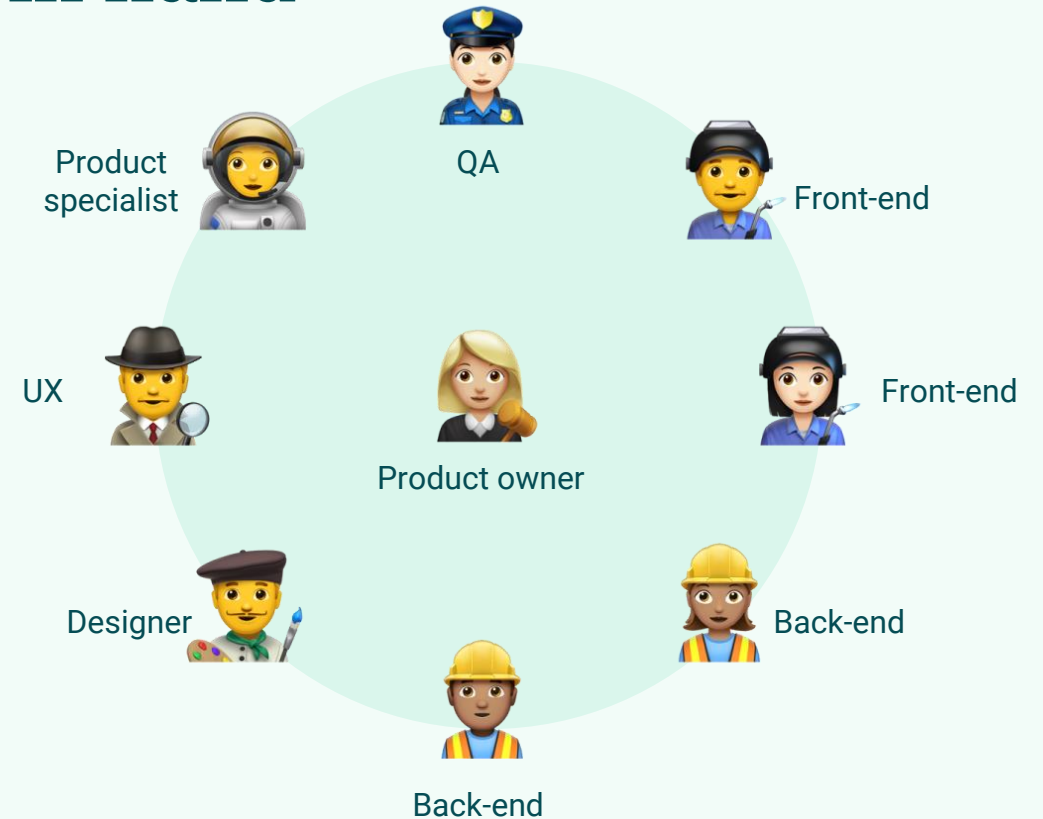


We focus on what's best for the customer



A typical Avanza development team, where business and IT go hand in hand

- Full expertise for their respective domain
- Innovation, business development and maintenance are done within each team
- They define their own mission and sets their own goals, linked with the overall vision and targets



We innovate together with our customers

Customers can sign up as test users to early releases of new functionality and provide feedback.

We meet with hundreds of customers for interviews and user tests each year.

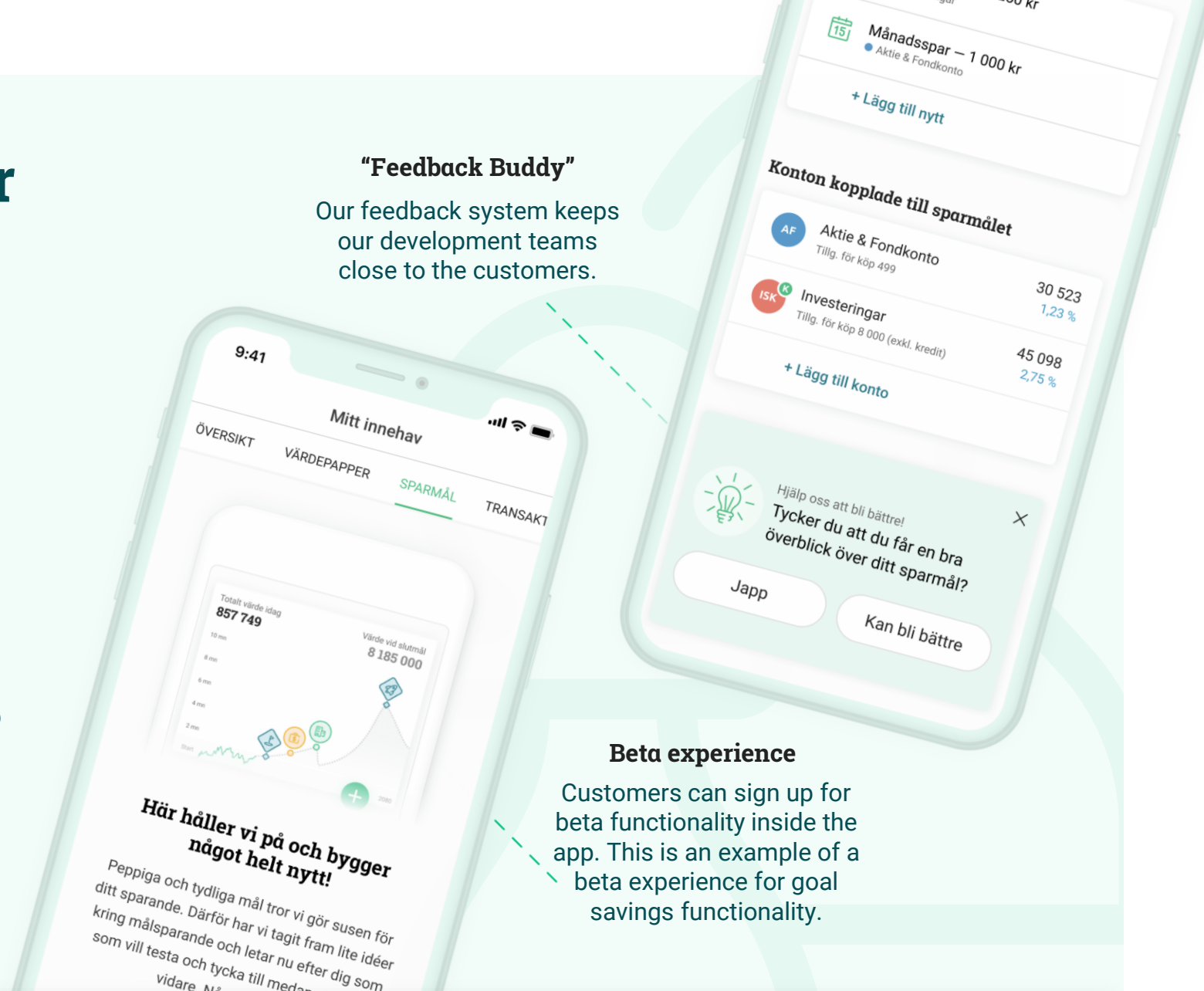
And get, tens of thousands of twitter feedback, app reviews and customer service messages, which are also a vital part of the development feedback to the teams.

"Feedback Buddy"

Our feedback system keeps our development teams close to the customers.

Beta experience

Customers can sign up for beta functionality inside the app. This is an example of a beta experience for goal savings functionality.



User experience, information and tools increasingly important

NPS
>50



Daily active users R12M ~ 370,000

Churn, %
1.8

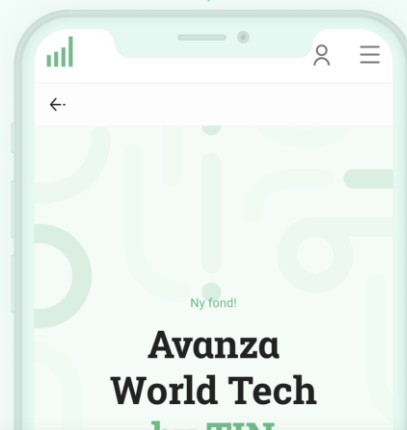
Our superior customer experience, also makes us the perfect partner for product challengers

TIN FONDER

FCG

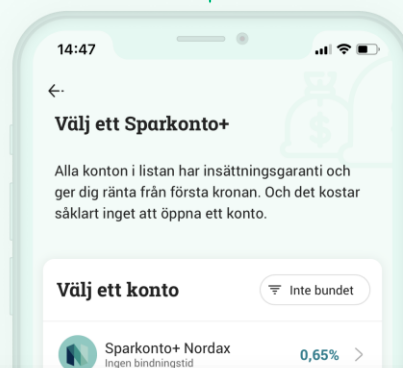
Mutual fund platform

Over 1,350 external funds on the platform and exclusive cooperations for actively managed funds



Third party savings

High yielding savings accounts with a number of partner banks



Mortgages

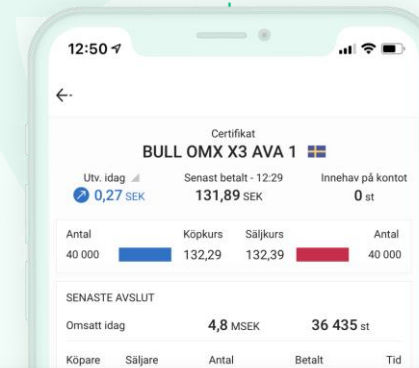
Our partners deliver low interest mortgages through our interface



Morgan Stanley

Exchange traded products

Exclusive exchange traded products with 0 brokerage fees



Social, environmental and economic sustainability are reflected in what we do and who we are

Sustainable organization

We work actively to increase gender equality, diversity and employee engagement. We are tracking our climate impact, striving to reduce our ecological footprint, working towards net zero emissions.

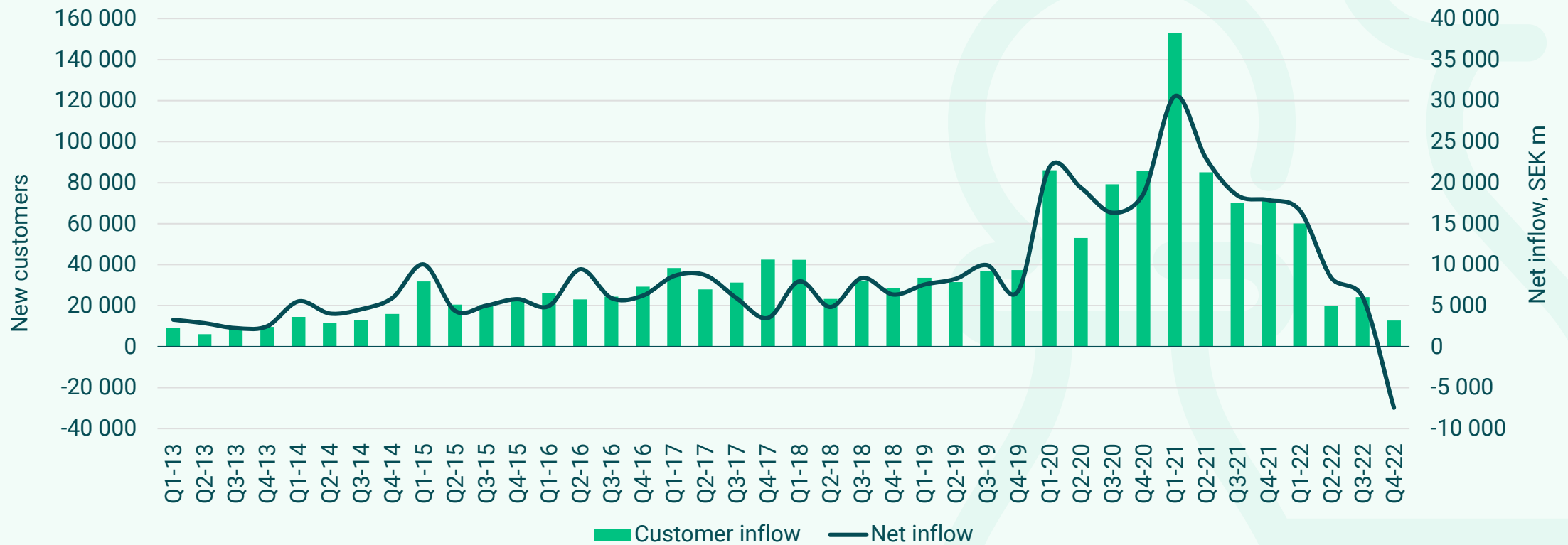
Educate & Challenge

Working for improved financial literacy, more transparency in the finance market and for increased gender equality in savings.

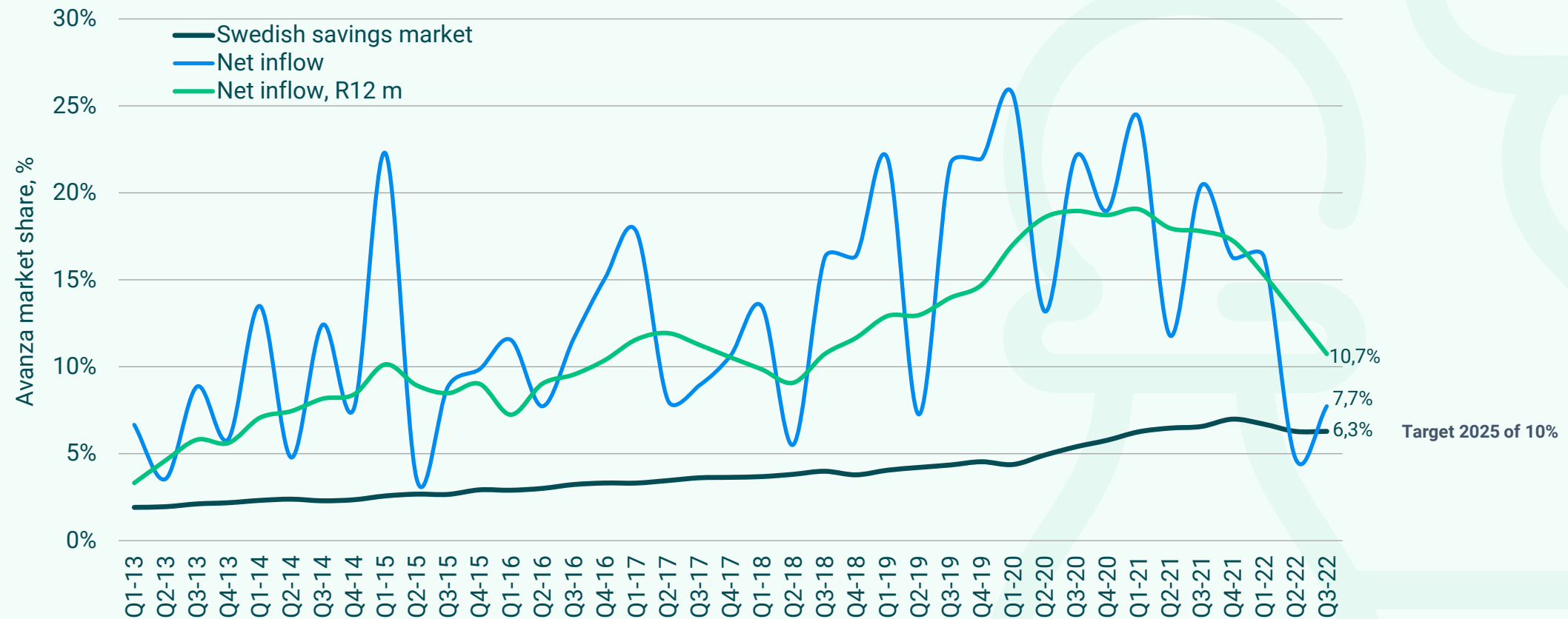
Sustainable investment

Offering sustainable alternatives. Avanza does not offer investment advice, but we do make it easier for our customers to make sustainable investments, through concise information, decision support and education.

Customer growth drives net inflow

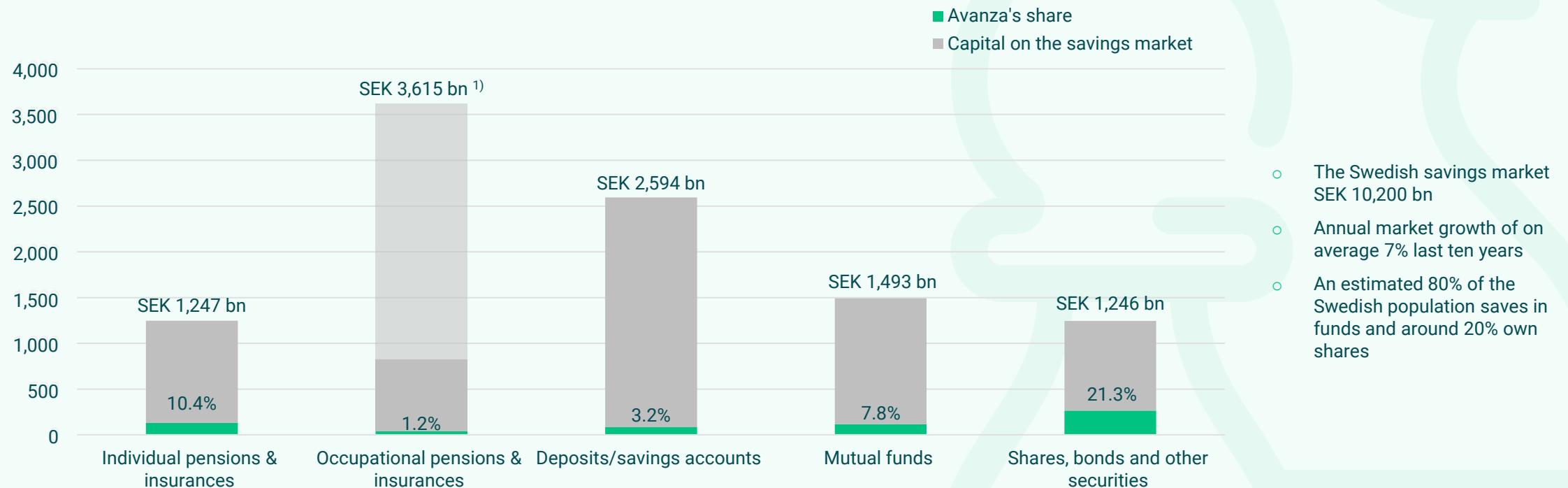


Market share of 10.7% rolling 12M of net savings on the Swedish savings market



The net inflow to Avanza is seasonally higher in Q3 and lower in Q2 and Q4. In Q2 this is due to dividends, tax refunds, higher pension premiums and partly annual payments to contractual pensions, which are not included in Avanza's customer offering.

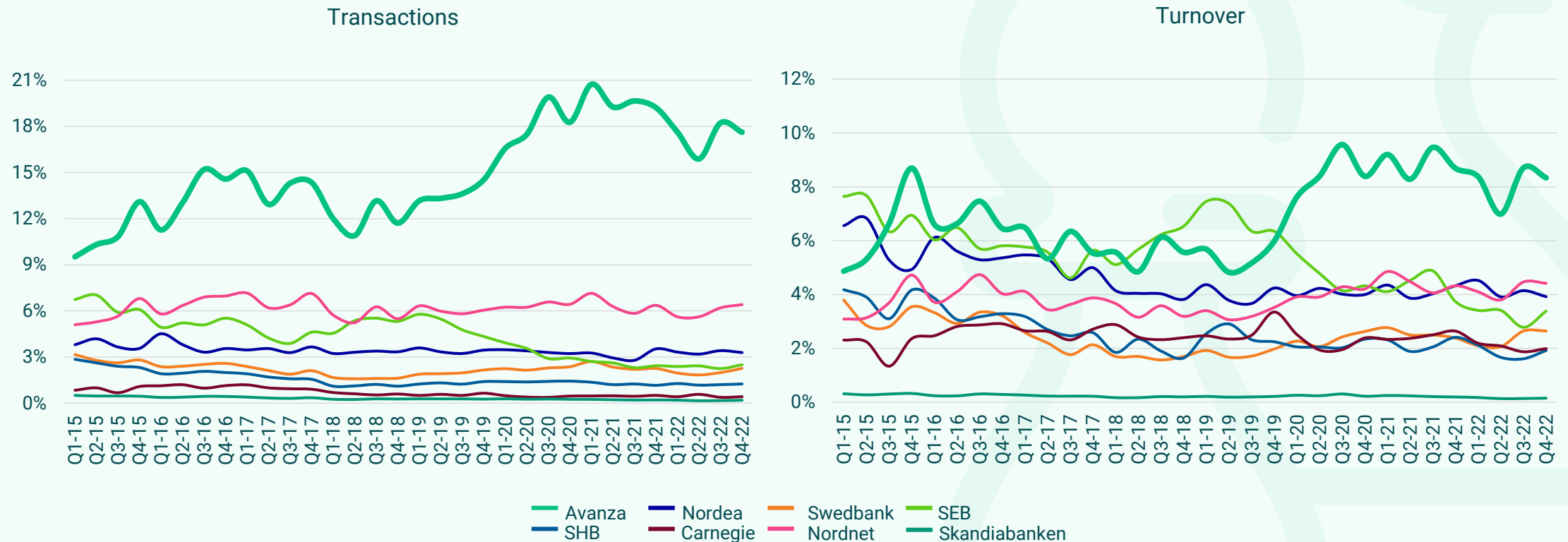
Significant growth potential with a 6.3% market share of the Swedish savings market



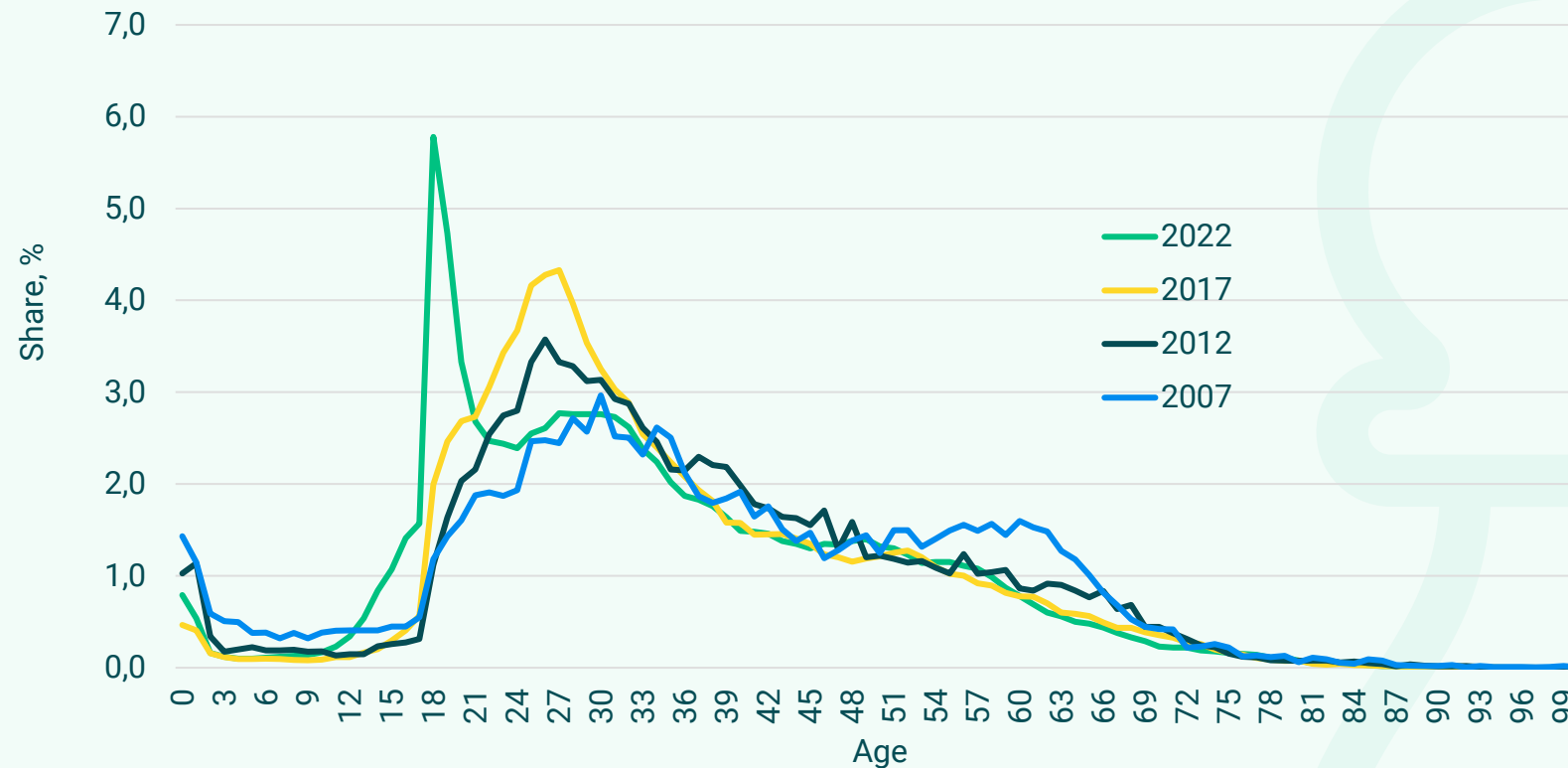
¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit linked amounts for around 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2021 was valued at nearly SEK 815 billion. The previous year's reported market share has been adjusted due to the fact that significant insurance portfolios' are no longer included in statistics from Swedish Insurance.

The largest Swedish participant in stock market transactions and turnover on Nasdaq OMX and First North

- Market share of 17.6% in terms of transactions and 8.3% of turnover in Q4 2022



Age distribution among new customers



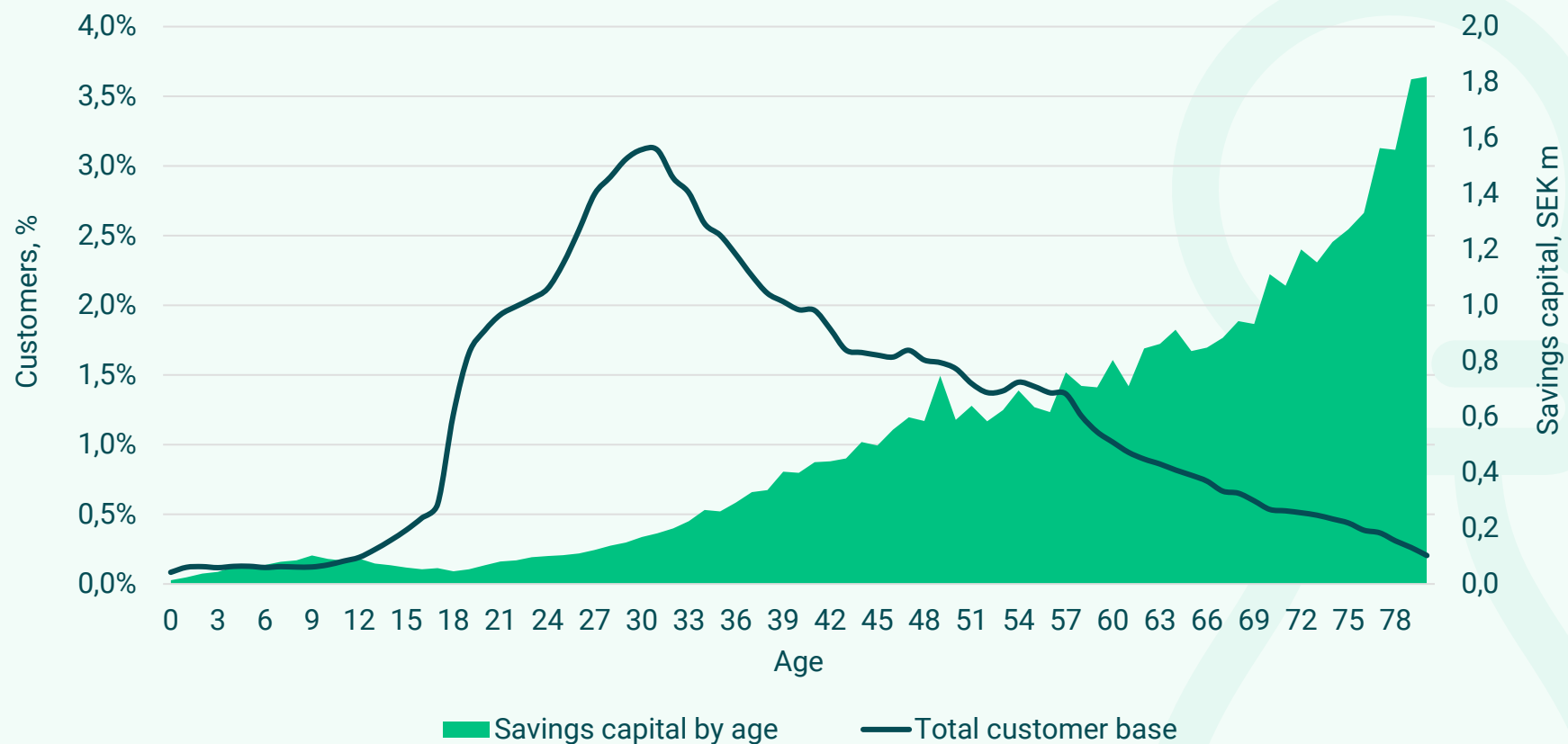
Market penetration

- Total share of Swedish population: 16.5% as of 1 November 2022
 - ages 20-29: 31.5%
 - ages 30-39: 31.0%
 - ages 40-49: 23.2%
- Highest penetration in urban areas. Stockholm region, snapshot (Women/Men) as of 1 November 2022:
 - ages 20-29: 30%/43%
 - ages 30-39: 33%/44%
 - ages 40-49: 24%/35%
 - ages 50-59: 21%/27%
 - ages 60-69: 16%/20%

Potential in both existing and new customers

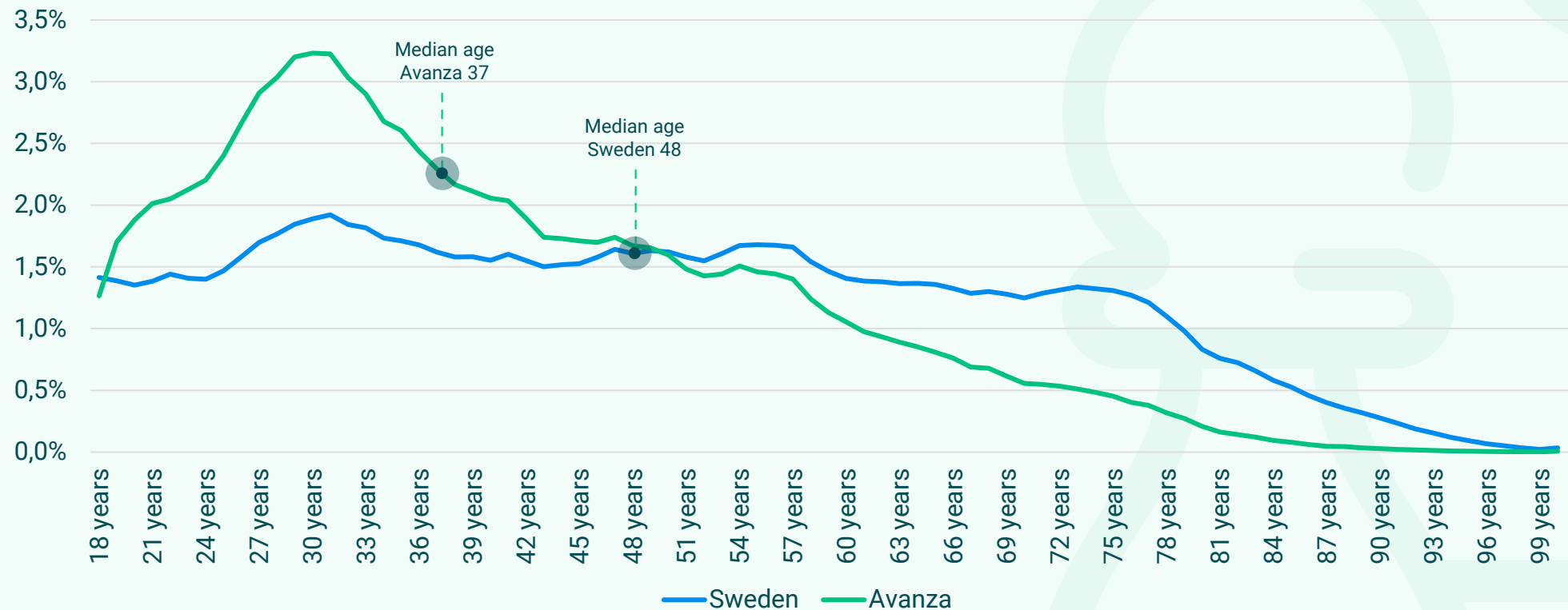
- Increasing share of wallet in existing customer base
- Continue to attract young people and keep them happy as wealth grow by age
- The broad offering makes us relevant for a larger group of people
- Regulation and digitisation have decreased friction, created more awareness and simplified self-directed financial management
- More reasons for people to take responsibility for their own savings as public pension and welfare systems are covering fewer needs
- Facilitate and inspire sustainable savings to attract a broader audience

Savings capital grow by age



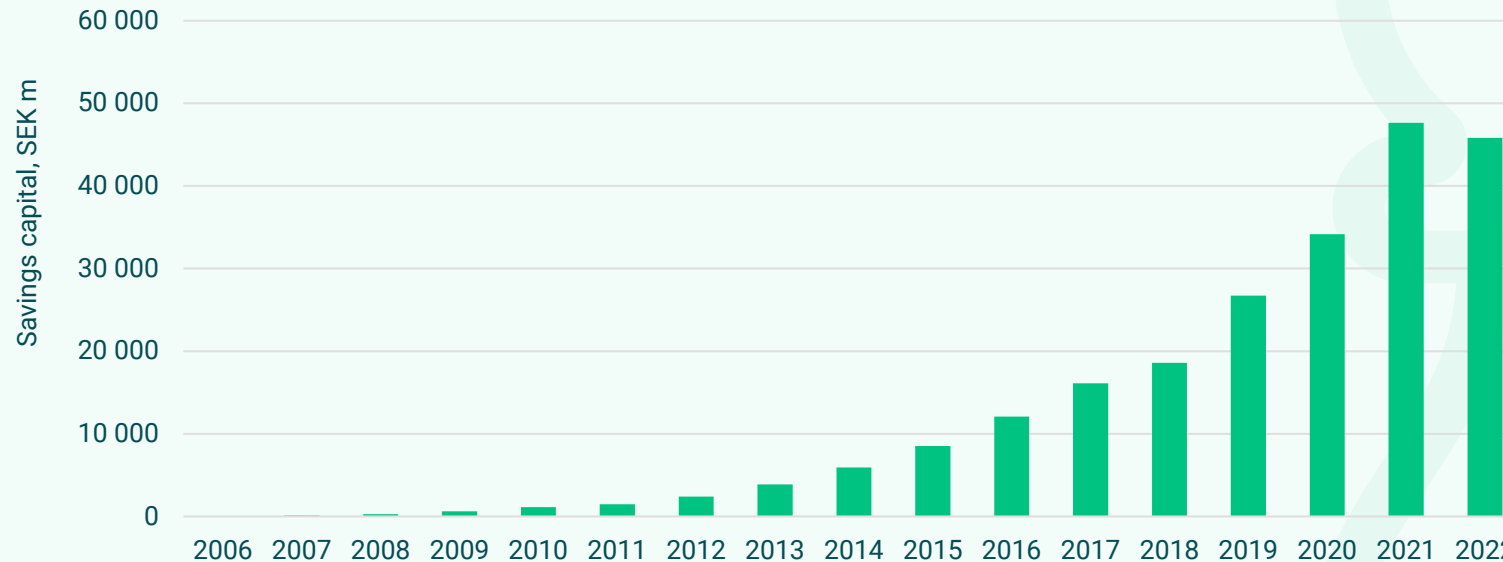
Strong potential when wealth is transferred to the next generation

Age distribution Swedish population and Avanza's customers



One of the fastest growing pension companies in Sweden

- Competitiveness with no annual insurance fees and broad investment opportunities
- The strong offer an advantage when the transfer right is improved to the benefit of the consumer



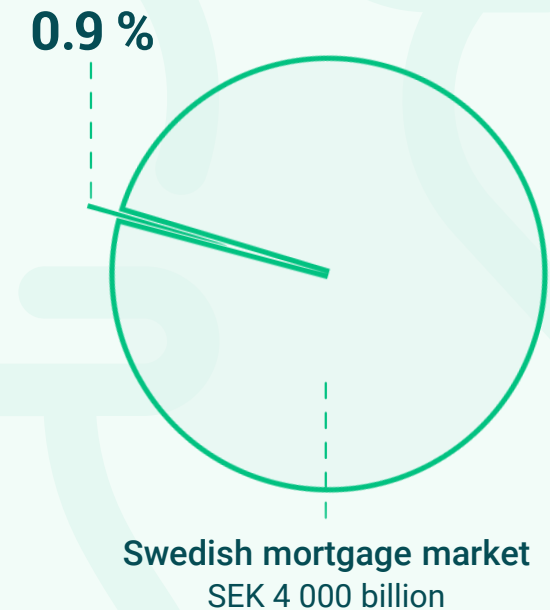
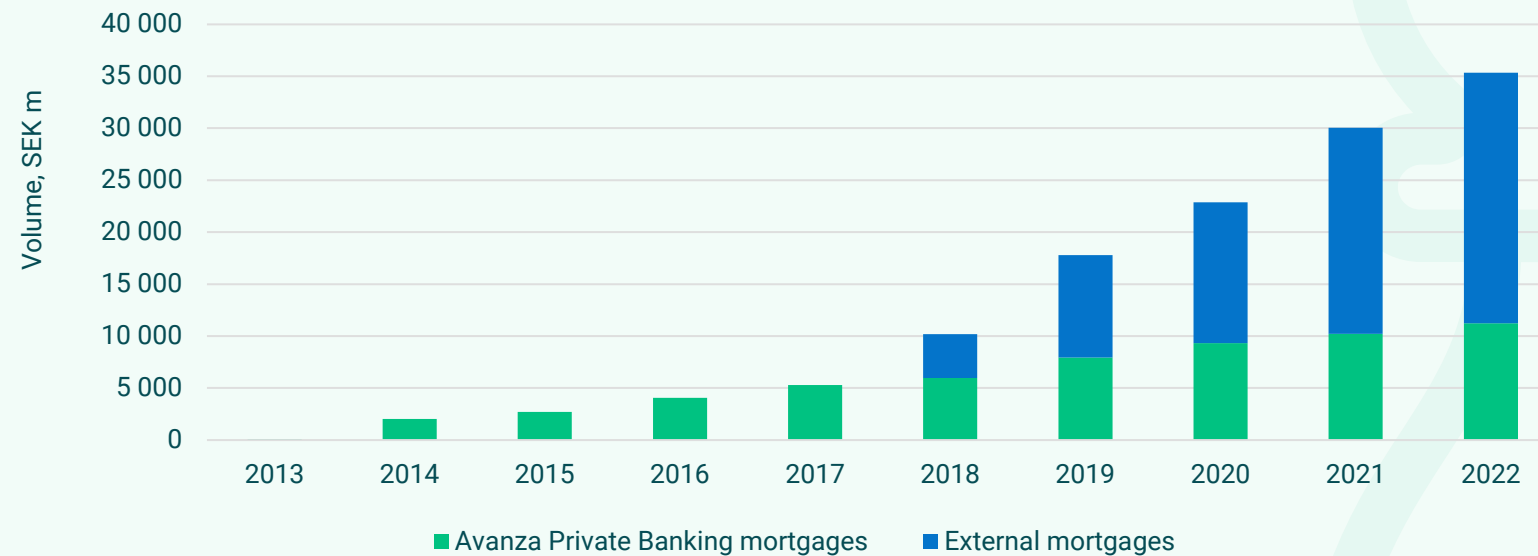
5.8%

Swedish occupational pension market
SEK 810 billion¹⁾

¹⁾ The occupational pension market can be divided into traditional life and unit-linked insurance. Unit linked amounts for around 40 per cent, of which Avanza is active in the portion outside collectively agreed occupational pensions, which at the end of 2021 was valued at nearly SEK 810 billion. The previous year's reported market share has been adjusted due to the fact that significant insurance portfolios are no longer included in statistics from Swedish Insurance.

Enable customers to apply for mortgages from various external lenders

- Important part of customers' economy
- Frees up savings capital with other banks



We are prepared to capture new opportunities in the world of tech...



Mortgages are signed digitally.



Credit transfers between banks are made in real-time.



Payment accounts can be aggregated, and payments initiated, by any interface.



Customers have the right to data portability.



Pension accounts can finally be transferred cheaply.



Data from all financial products can be easily shared with third parties by customer consent.

To summarise

Customer satisfaction and employee engagement create shareholder value over time

Long-term targets

- Customer satisfaction & Employee engagement
- Growth in customers and savings capital
- Profitability and effective management of the balance sheet

Customer proposition

- Cheaper, better and simpler offering
- High user experience
- Broad range of product
- Information, education and decision-making tools

Business model

- More stable revenues through funds and mortgages
- High scalability
- Cost control vital (top modern IT platform)

Growth potential

- Strong potential in existing customer base
- Young customers a potential when wealth is transferred
- Public pension and welfare systems are covering fewer needs

To summarise

Employee engagement a key success factor for Avanza

Long-term targets

- Customer satisfaction – keep the No 1 position
- Continuous growth in both number of customers and volume
- Create possibilities for continued strong innovation

Continuous growth
Customer satisfaction
Strong innovation

Appendix

| | |
|--------------------|-------|
| Operations | 27-29 |
| Financials | 30-35 |
| Balance sheet data | 36-37 |
| Contact details | 38 |

Targets 2022 and fulfilment

| Long-term targets | Outcome 2022 | Comments |
|--|--------------|--|
| Sweden's most satisfied savers according to the Swedish Quality Index | ✓ | Achieved in 2022 for the thirteenth consecutive year |
| Engaged employees, eNPS of at least 50 | 58 | Very strong ambassadorship |
| Market share of nearly 10% 2025 | 6.3% | We will need a couple of good years for the stock market and will have to continue to create the best tool for our customers to manage their personal finances |
| Return on shareholders' equity of at least 35% | 36% | Ensures focus on profitability and effective management of the balance sheet |
| Dividend of 70% of net profit | 70% | Proposed dividend for 2022 of SEK 7.50 per share |
| Maximum annual costs to savings capital ratio of 12 basis points over time | 15 bps | Affected by the negative performance of the stock exchange in 2022 |
| Net zero emissions | | Signed Business ambition for 1.5°C, committing to reduce Avanza's direct and indirect emissions by 40 per cent until 2030 |
| Strengthen the sustainability score in customers' investments | 20.0 | The share of capital in sustainable investments increased as the sustainability score decreased from 20.2 to 20.0 |
| Increase gender equality in savings | | Still far from acceptable levels. Women's share of capital was 25%, and the share of women among customers was 38% |

Long-term **financial targets** for 2025

- Customer satisfaction and employee engagement targets remain unchanged
- Market share of 10% of the Swedish savings market at the end of 2025
- Costs to savings capital ratio of maximum 12 bps over time
- Return on equity of at least 35%
- Dividend of 70% of net profit, taking into account the leverage ratio requirement

Avanza's targets for a sustainable future

Net Zero emissions



Avanza's goal is to reduce scope 1, 2 and 3 emissions with 40 percent by 2030 and to achieve net zero emissions of greenhouse gases as soon as possible, by 2045 the latest. This includes emissions generated by the bank itself from energy consumption and business travels, as well as indirect emissions such as the investments made by our fund company.

Strengthen the sustainability rating in our customers' investments

We are continuously improving our decision tools, making it easier for our customers to make sustainable investments. Our goal is lower sustainability risk in our customers portfolios.

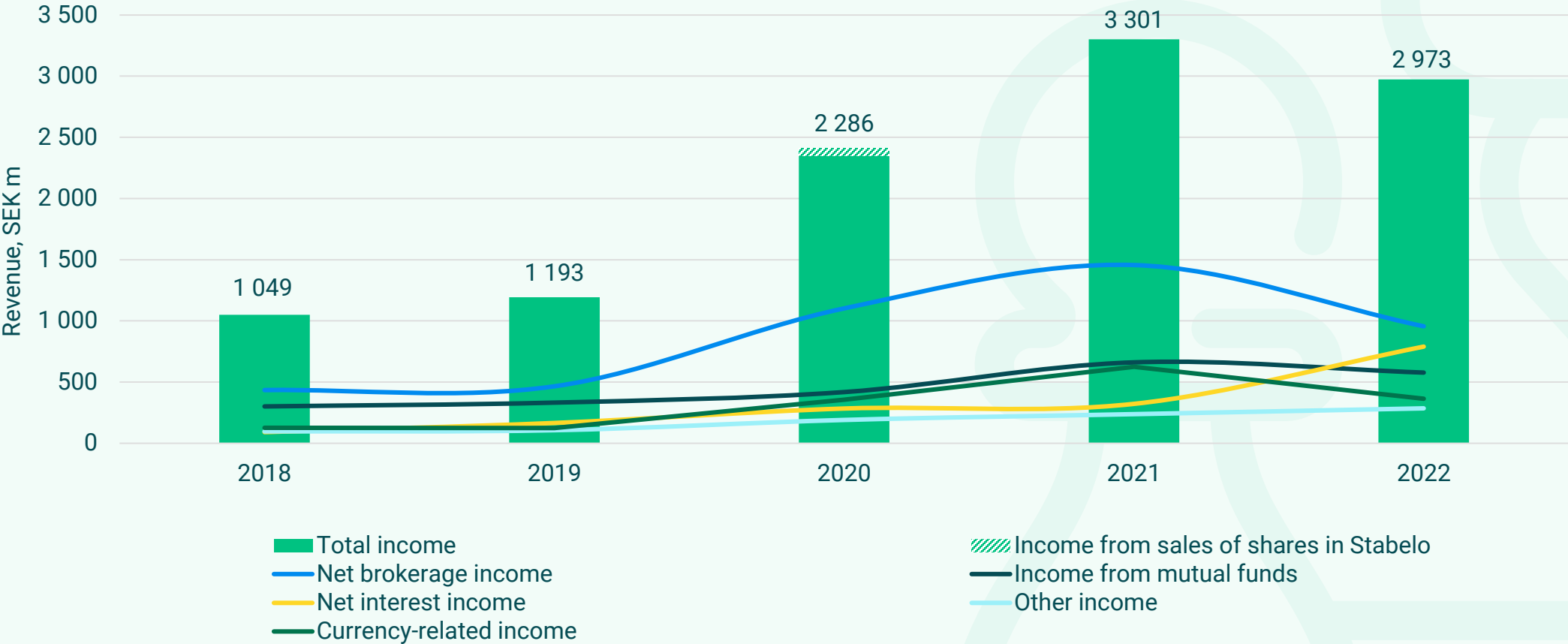
Increase gender equality in savings

The share of women on Avanza's platform today is 38 per cent. The share of savings capital they hold is only 25 per cent.

Financial overview

| | Q4 22 | Q3 22 | Δ % | Q4 21 | Δ % | 2022 | 2021 | Δ % |
|------------------------------------|------------|------------|-----------|------------|----------|--------------|--------------|------------|
| Operating income, SEK m | 847 | 740 | 14 | 824 | 3 | 2,973 | 3,301 | -10 |
| Operating expenses, SEK m | -273 | -238 | 15 | -253 | 8 | -1,031 | -864 | 19 |
| Operating profit, SEK m | 573 | 502 | 14 | 571 | 0 | 1,940 | 2,437 | -20 |
| | | | | | | | | |
| Operating margin, % | 68 | 68 | 0 | 69 | -2 | 65 | 74 | -9 |
| Income to savings capital ratio, % | 0.52 | 0.46 | 0.06 | 0.43 | 0.09 | 0.42 | 0.47 | -0.05 |
| Costs to savings capital ratio, % | 0.17 | 0.15 | 0.02 | 0.13 | 0.04 | 0.15 | 0.12 | 0.02 |
| ROE, % | 42 | 42 | 1 | 41 | 1 | 36 | 50 | -14 |
| EPS, SEK | 3.16 | 2.78 | 14 | 3.11 | 2 | 10.69 | 13.19 | -19 |

Long-term revenue development

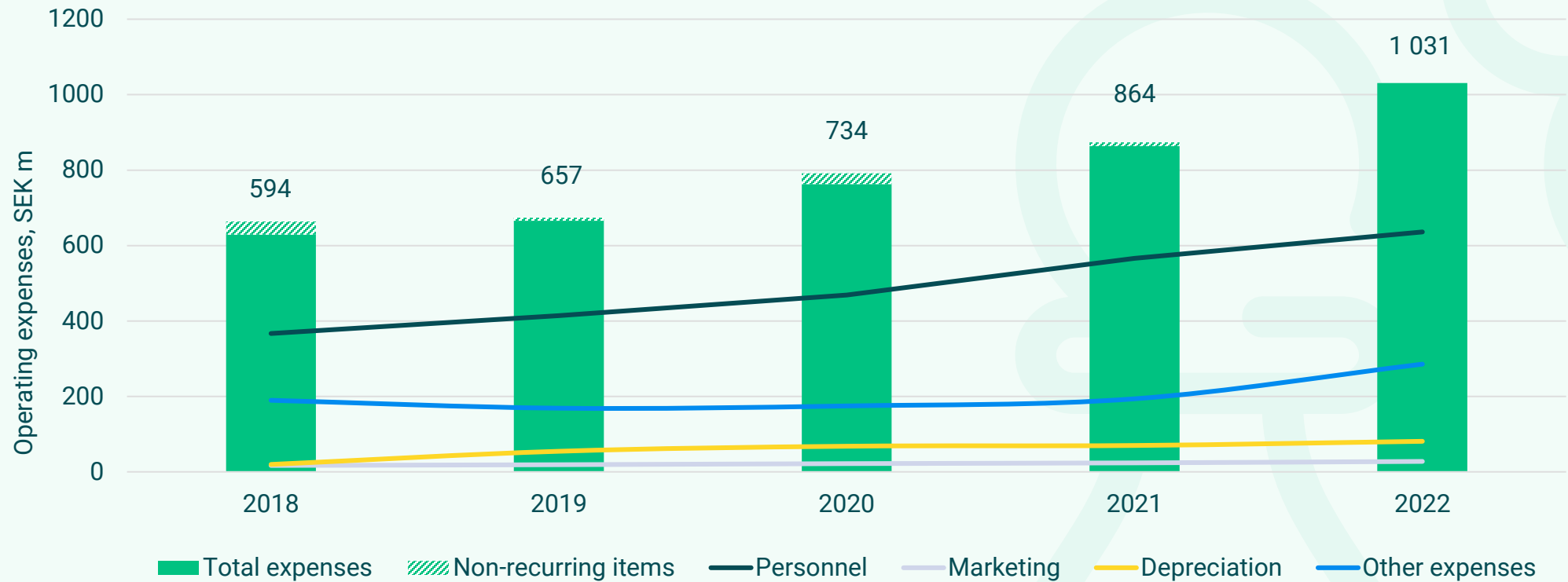


Income 2022

| | SEK m | % of income |
|---------------------------------|--------------|-------------|
| Net brokerage income | 956 | 32 |
| Fund commissions, net | 577 | 19 |
| Currency-related income, net | 364 | 12 |
| Net interest income | 789 | 27 |
| Other income, net ¹⁾ | 286 | 10 |
| Total | 2,973 | 100 |

1) Mainly income from Avanza Markets, but also Corporate Finance, stock lending, compensation for distribution, advertising sales, subscriptions and customers' ad-on services.

Annual cost development

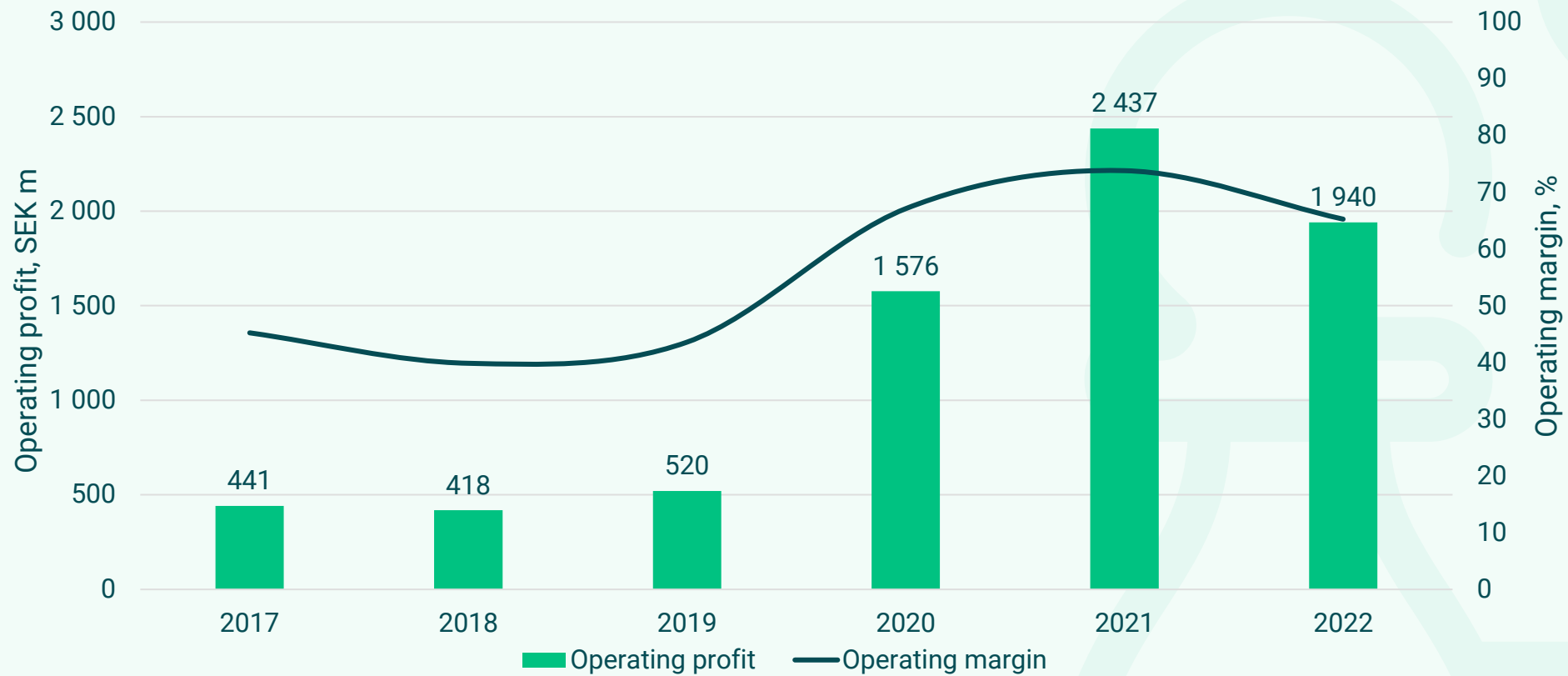


Costs 2022

| | SEK m | % of total costs |
|---|---------------|------------------|
| Personnel | -636 | 62 |
| IT systems and licenses | -122 | 12 |
| External services | -83 | 8 |
| Marketing | -28 | 3 |
| Depreciation | -81 | 8 |
| Other | -82 | 8 |
| Total costs before credit losses | -1,031 | 100 |
| Credit losses, net ¹⁾ | -1 | |

¹⁾ Reported credit losses are attributable to calculations of expected credit losses according to IFRS9.

Operating margin at high levels



Balance sheet, 31 December 2022

| Assets | SEK m | Liabilities & equity | SEK m |
|--|----------------|---|----------------|
| Lending to credit institutions ¹⁾ | 7,768 | Deposits | 54,308 |
| Loans to the public | 19,259 | Liabilities in insurance operations | 180,339 |
| Bonds | 31,789 | Other liabilities | 1,493 |
| Assets in insurance operations | 180,337 | Shareholders' equity | 4,951 |
| Other assets | 1,937 | | |
| Total assets | 241,091 | Total liabilities and shareholders' equity | 241,091 |

Comments

- Mainly self-financed through shareholders' equity and customer deposits
- Surplus-liquidity of SEK 41,224m invested in covered bonds, at the Riksbank and O/N (including SEK 1,667m deposits in client fund accounts)
- The value of the insurance liabilities tracks the value of the insurance assets since the policyholders bear the direct investment risk. No products with guaranteed return is offered

1) Including balances at central banks and treasury bills eligible for refinancing.

Strong capital position

| | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Total capital requirement, % ¹⁾ | 15.1 | 12.6 |
| Capital surplus, % | 11.1 | 11.4 |
| Total capital ratio, % | 26.2 | 24.0 |
| | | |
| Leverage ratio,% ²⁾ | 5.5 | 4.8 |
| Capital surplus after LR-requirement and P2-guidance | 1.5 | 1.8 |

1) Including external buffers and Pillar 2 requirements.

2) Requirement of 3%.

Historical financial key data 2001–2022 is available in Excel at: avanza.se/keydata

ir@avanza.se

[More contact details](#)

