ABG Sundal Collier research coverage

45 analysts covering ~370 Nordic companies

Research coverage of 370 companies listed on the Nordic exchanges (~85% of total market cap)

>45
Analysts

~370
Companies covered

>85%
of Nordic market cap

E&P / Oil services

Renewable energy

Shipping & transportation

Raw materials

Industrials

Retail & consumer

Aquaculture

Healthcare

TMT

Real Estate

Financials

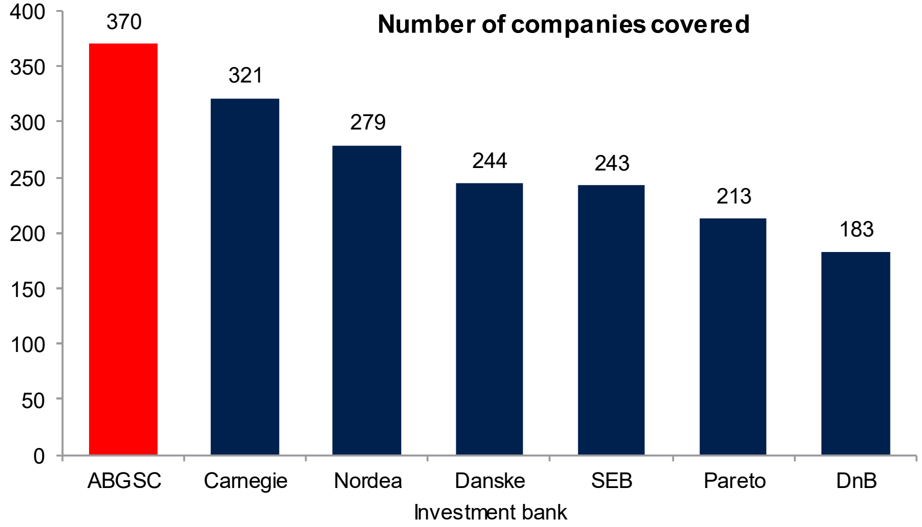
Strategy

Thematic

Quant

Broader coverage than any other

Research coverage of 370 companies listed on the Nordic exchanges (~85% of total market cap)



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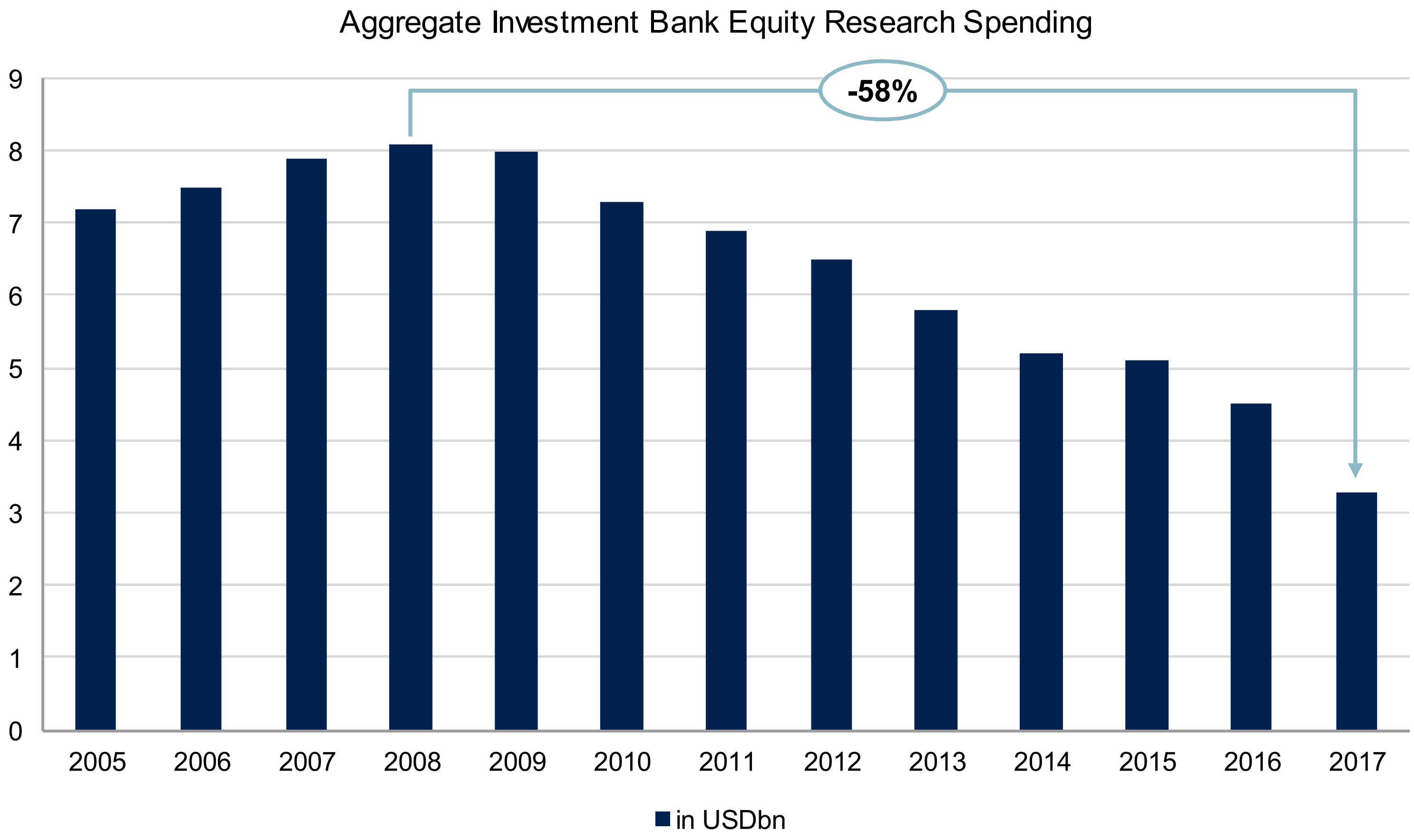
The big picture on research spending - a structural trend

Research budgets



 Source: Frost Consulting

The buy side is undergoing massive change

Revenue pressure due to increased competition

E.g. passive funds (index funds, ETFs have taken 70-110% of net inflows last 10 years!)

Asset management

First negative-fee investment fund highlights battle for clients' money

OWEN WALKER

The US markets regulator has backed a fund that pays customers to invest in it, highlighting a ferocious war for clients being waged among asset managers.

The arrival of so-called "negative fees" is a sign of the difficulties for new players trying to break into a market that is dominated by a handful of large index fund managers that have the economies of scale to offer ever-cheaper funds.

Salt Financial, a New York boutique manager, has introduced a new charging structure for its recently launched Salt Low truBeta US Market exchange-traded fund, after receiving approval from the Securities and Exchange Commission late last week. The structure applies a 34 basis-point fee waiver to the fund's 29 bps management charge.

This means the fund will have a negative fee of 5 bps, meaning customers will receive $5 for every $10,000 they invest.

The structure will be in place until the fund reaches $100m of assets — seen as a crucial size for a new ETF to reach. The offer will run until the end of next May.

Last week, before the company had received a nod from the regulator, Salt's president and chief operating officer Alfred Eskandar said the company had devised the fee structure after struggling to attract assets to its first ETF, which it launched last year.

"David needed a slingshot to take down Goliath — we need a negative-fee model to force our way into this anti-competitive market," he said.

Asset managers gave up more than $3.5bn in income through fee cuts last year — and nearly $16bn since 2014 — according to Flowspring, a fund management research company. It found that products with expense ratios below 5 bps grew 20 times faster than those above 20bp over the past five years.

'David needed a slingshot to take down Goliath — we need a negative-fee model to force our way in'

Fund giants including BlackRock, Vanguard, JPMorgan Asset Management, Fidelity Investments and Charles Schwab have been especially aggressive fee-slashers.

The race to the bottom appeared to reach its natural conclusion last year when Fidelity Investments, the $2.4tn US asset manager, offered the first free mutual funds.

This was seen as a watershed and sparked share price falls at several of its biggest listed competitors, including BlackRock, Franklin Templeton and Invesco.

But industry commentators do not expect the large investment groups that have spearheaded the cut-throat price war to offer negative fees, despite the high levels of income they can generate through securities lending, which allows them to keep charges low.

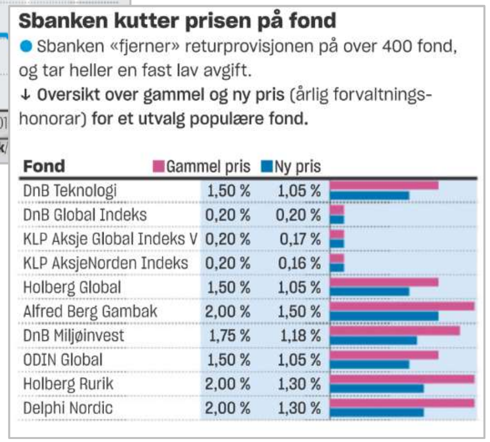
Mr Eskandar conceded that Salt Financial's negative-fee model was designed to generate interest in a new product.

He said $100m was an arbitrary threshold used for inclusion on brokerage and advisory platforms.

"New ETF issuers have two choices — they can do their best to survive for the six years it takes on average to get to $100m, or they can do something more drastic that gets them there quicker," he added.

Cost pressure due to increased back office requirements

E.g. increased compliance requirements, technology costs, cyber security, MiFIDII



Sbanken kutter prisen på fond

Sbanken «fjerner» returprovisjonen på over 400 fond, og tar heller en fast lav avgift.

↓ Oversikt over gammel og ny pris (årlig forvaltningshonorar) for et utvalg populære fond.

Fond	Gammel pris	Ny pris
DnB Teknologi	1,50 %	1,05 %
DnB Global Indeks	0,20 %	0,20 %
KLP Aksje Global Indeks V	0,20 %	0,17 %
KLP AksjeNorden Indeks	0,20 %	0,16 %
Holberg Global	1,50 %	1,05 %
Alfred Berg Gambak	2,00 %	1,50 %
DnB Miljøinvest	1,75 %	1,18 %
ODIN Global	1,50 %	1,05 %
Holberg Rurik	2,00 %	1,30 %
Delphi Nordic	2,00 %	1,30 %

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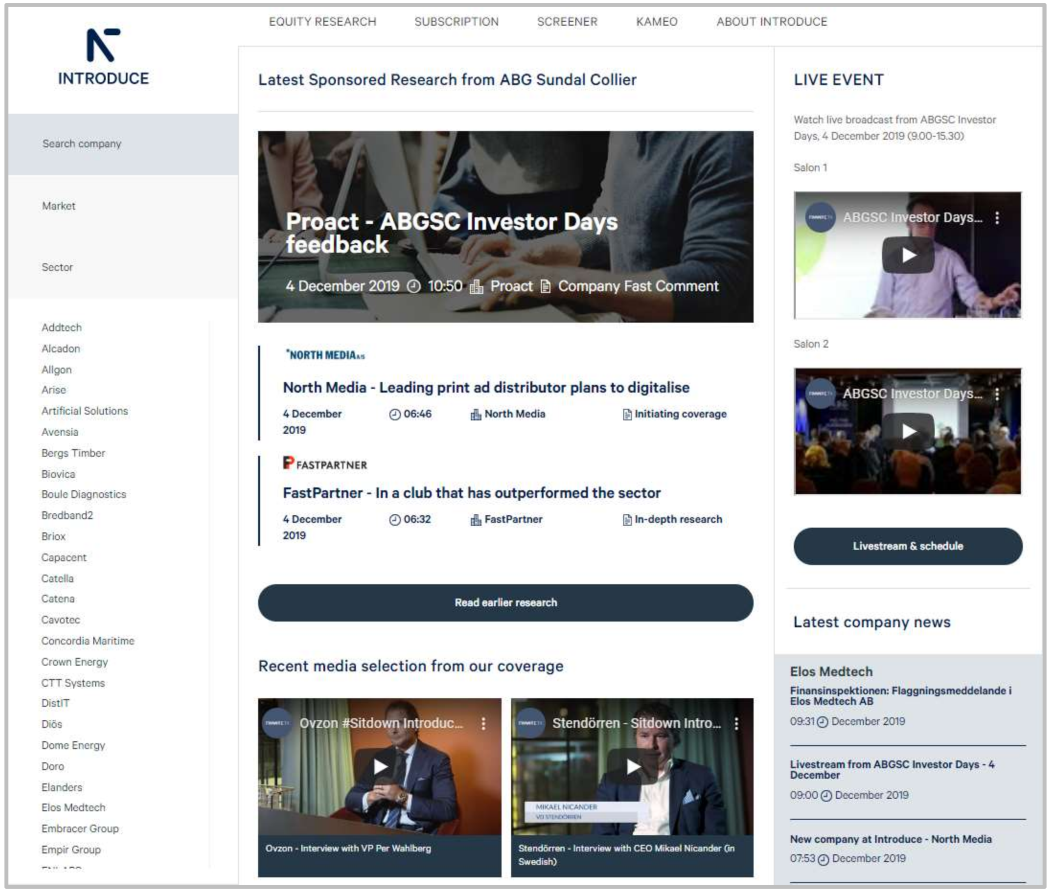
Consequences of the trends

For institutional investors	▪ Size becoming even more important ▪ There will be fewer, but bigger institutional investors
When institutional investors invest	▪ Market cap becoming more important ▪ Liquidity becoming more important
For listed companies	▪ Poorer research coverage ▪ Getting attention will become more difficult
For sell side (investment banks) investors	▪ “The winner takes it all society” ▪ There will be fewer Nordic investment banks – 2-4 will dominate ▪ Fewer broker houses and fewer analysts

Introduce.se/no: An open platform where the main product is our ABGSC Sponsored Research



ABGSC Investor Days 4-5 December 2019 Stockholm, 450 investors

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ABGSC's approach to company-sponsored research

1

- ABGSC believes that research coverage increases transparency and should thereby support investor interest and valuation

2

- There are a large number of Nordic small- and mid-cap companies currently lacking or having insufficient research coverage, and investors are not willing to compensate the cost related to providing such coverage

3

- The recently implemented MiFID II regulations have put significant constraints on the distribution of research to institutional investors in general, and accelerated the reduction of research providers and research capacity

4

- ABGSC offers, via its Introduce platform, independent research coverage in combination with other investor relations services

5

- We make it clear to our investor clients that the sponsored research product differs from our traditional independent research service. We do not include BUY/SELL recommendations on our sponsored research, but we provide estimates and indicate a fair long-term value

!

- Subscribing to corporate sponsored research is not the same as buying a perpetually positive view on estimates and valuation – we strongly believe in maintaining our independence and integrity in order to provide a credible and relevant product to the benefit of all parties

Research for both institutions and retail investors

Full distribution capacity, both local and global

Global Sales

Oslo	Stockholm
Copenhagen	London
Frankfurt	New York

Research

Coverage by ABGSC's specific sector teams

Professional editing team

- Initiating coverage
- Comments on material events
- Report updates

→

ABGSC Institutional

Closed distribution

Thomson Reuters, S&P Capital IQ, FactSet, BlueMatrix, Red Deer, RSRCHXCHANGE, Bloomberg

→

ABGSC Introduce.se

Open distribution

nordnet, Avanza, Shareville (Powered by Nordnet)

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Appendix

ABGSC Investor Days 4-5 December 2019

450 attendees @ Haymarket by Scandic, Stockholm (retail investors & institutional clients)

ABGSC
INVESTOR DAYS

ABG SUNDAL COLLIER

WEDNESDAY 4 - THURSDAY 5 DECEMBER
Haymarket by Scandic, Hötorget 13-15, Stockholm

PROGRAMME

ABGSC Investor Days is a quarterly recurring seminar that provides an opportunity for investors to learn more about some of the companies covered by ABG Sundal Collier through its sponsored research. We have also included additional non-covered companies that we believe will be of interest to investors. The companies will present their business and visions. Each presentation is 20 minutes, followed by a short Q&A from the moderator.

COMPANIES CONFIRMED:

Alcadon	Eolus Vind	Oboya Horticulture
Allgon	Fastpartner	Poolia
Arise	Ferroamp	Proact
Avensia	Funcom	Pricer
BerGenBio	Garo	Safeture
Bergs Timber	GHP	Saniona
Biovica	GIG	SinterCast
Björn Borg	Intervacc	Slitevind
Bygghemma	Invisio Communications	SolTech Energy
Catena Fastigheter	Kameo	Stendörren
Concordia Maritime	Litium	Surgical Science
Doro	MedCap	Swedish Stirling
Elos Medtech	Midsona	Tethys Oil
Enlabs	Napatech	24SevenOffice
Enzymatica	Net Insight	

INFO

Date & time	Wednesday 4 December 09:00 - 15:30
	Thursday 5 December 09:00 - 15:30
Venue	Haymarket by Scandic Hötorget 13-15
RSVP	Please contact your local Sales representative or Corporate Access Group invitations@abgsc.se

1-1 meetings is available upon request, deadline 20 November. Most presentations will be held in English. This event is open for both Private & Institutional investors.

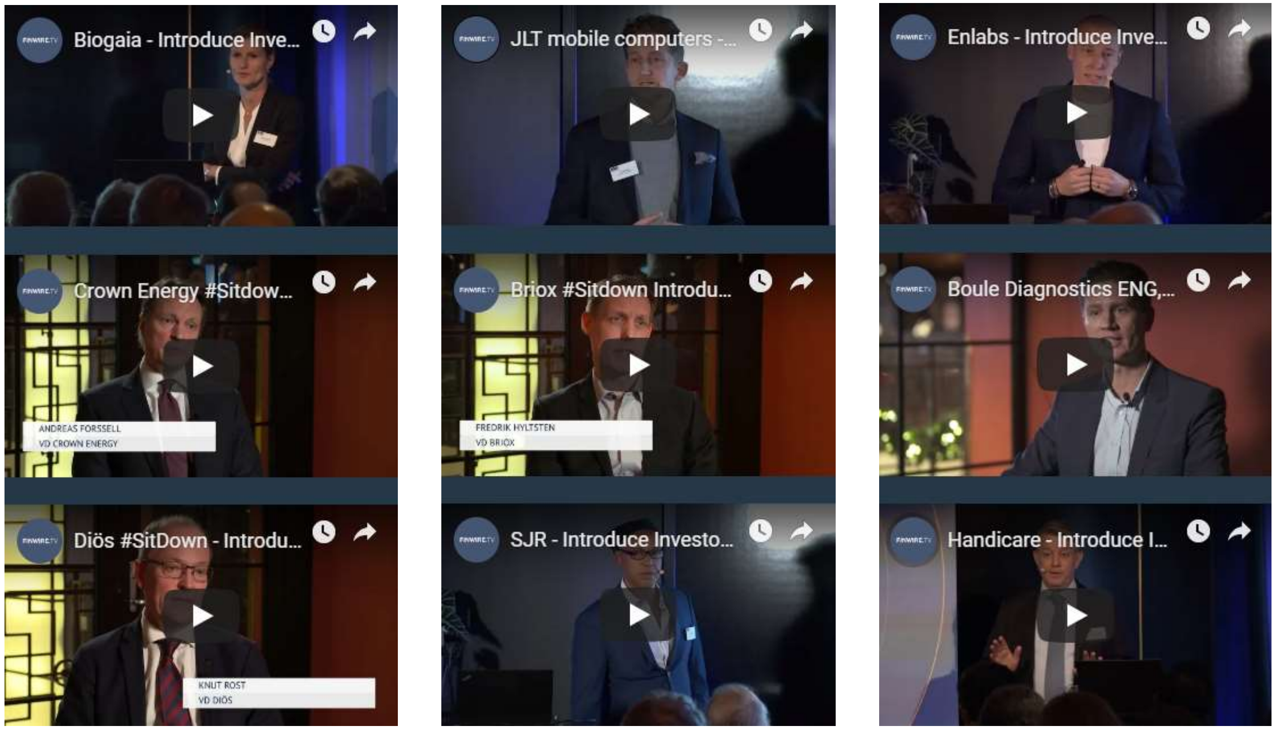
For registration and more information, please contact:

ABGSC Research Sales
Arash Hakimi Fard
T: +46 8 566 286 35
E: arash.hakimifard@abgsc.se

Corporate Access Group
Petra Kjellson
T: +46 8 566 286 07
E: invitations@abgsc.se

This event will also be livestreamed at introduce.se.

Livestreamed, distributed & uploaded @ Introduce.se



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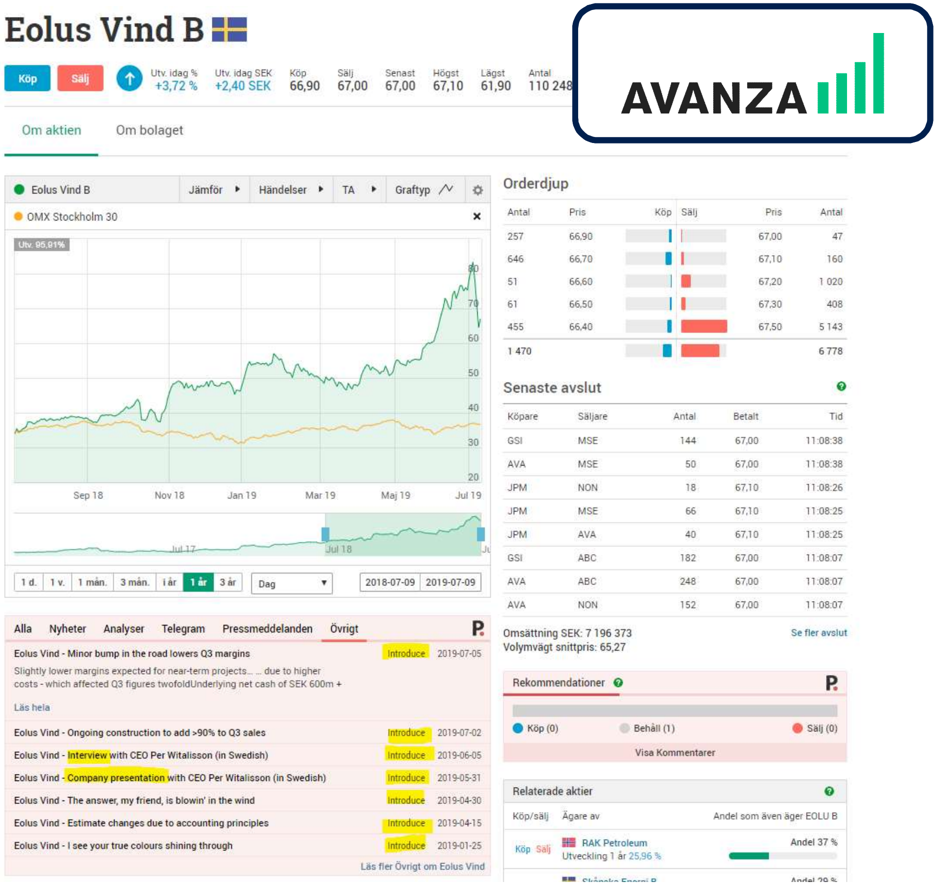
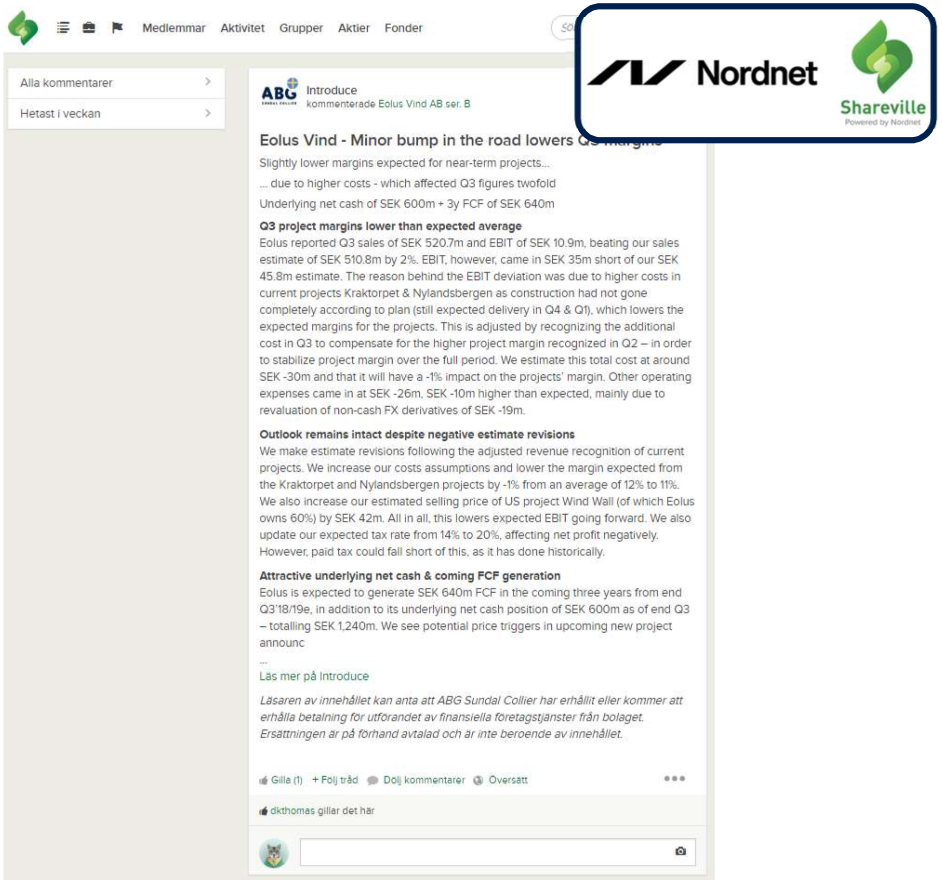
Powerful Feeds to Both Avanza & Nordnet

#1 Nordic Retail Platforms





Norway

ABG Sundal Collier ASA
Pb. 1444 Vika
Munkedamsveien 45E
7th floor
NO-0115 Oslo

Tel +47 22 01 60 00
Fax +47 22 01 60 60

Sweden

ABG Sundal Collier AB
Box 7269
Regeringsgatan 65
5th floor
SE-103 89 Stockholm

Tel +46 8 566 28 600
Fax +46 8 566 28 601

United Kingdom

ABG Sundal Collier Ltd.
St Martins Court
5th floor
10 Paternoster Row
London EC4M 7EJ

Tel +44 207 905 56 00
Fax +44 207 905 56 01

Denmark

ABG Sundal Collier ASA
Copenhagen Branch
Forbindelsesvej 12, St.
DK-2100 Copenhagen Ø

Tel +45 35 46 30 00
Fax +45 35 46 30 10

Germany

ABG Sundal Collier ASA
Frankfurt Branch
Schillerstrasse 2
5. Obergeschoss
DE-60313 Frankfurt /Main

Tel +49 69 96 86 96 00
Fax +49 69 96 86 96 99

USA

ABG Sundal Collier Inc.
850 Third Avenue
Suite 9-C
New York
NY 10022

Tel +1 212 605 38 00
Fax +1 212 605 38 01

Singapore

ABG Sundal Collier Pte Ltd
10 Collyer Quay
Ocean Financial Center
#40-07, Singapore 049315

Tel +65 6808 6082

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