

Qliro Q1 2021 presentation

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Top tier payment solution that simplifies the online shopping experience

- The number one challenger within payment solutions in the Nordics for larger e-merchants with a modern checkout solution and a top digital post-purchase experience
- True understanding of the needs among large- and mid-sized merchants and consumers has been the strength of Qliro since it was founded.
- Geographic focus is on the Nordics where Qliro's pay-after delivery products are available. The checkout supports 34 countries in total for Nordic merchants who aims to grow internationally.
- Digital banking services which includes personal loans and savings available in Sweden

2.5 m

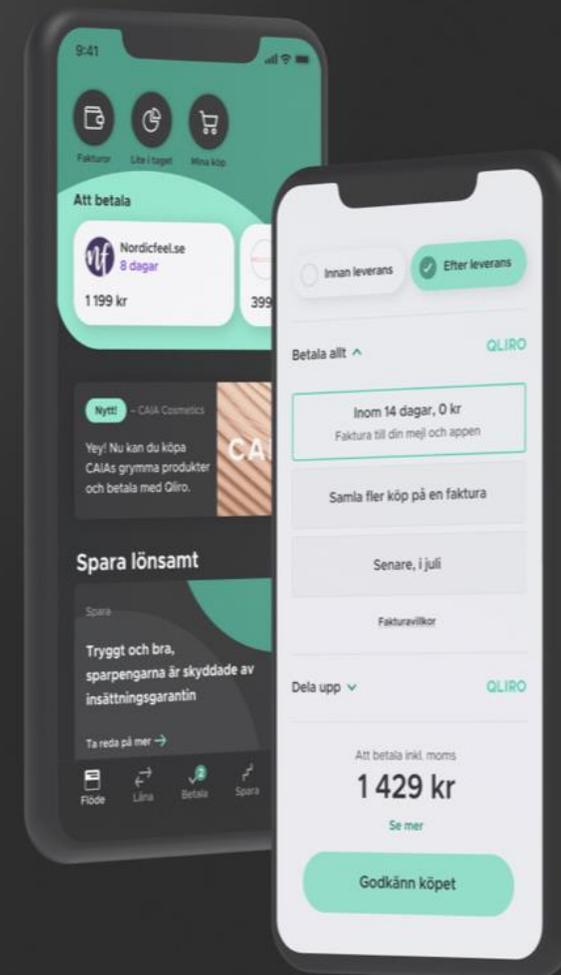
Active consumers¹⁾

7.4 m

transactions²⁾

6.6 bn

Pay-after delivery volume³⁾



Q1

FINANCIAL HIGHLIGHTS

27%
GROWTH IN PAD VOLUME

**IMPROVED
OPERATING PROFIT**

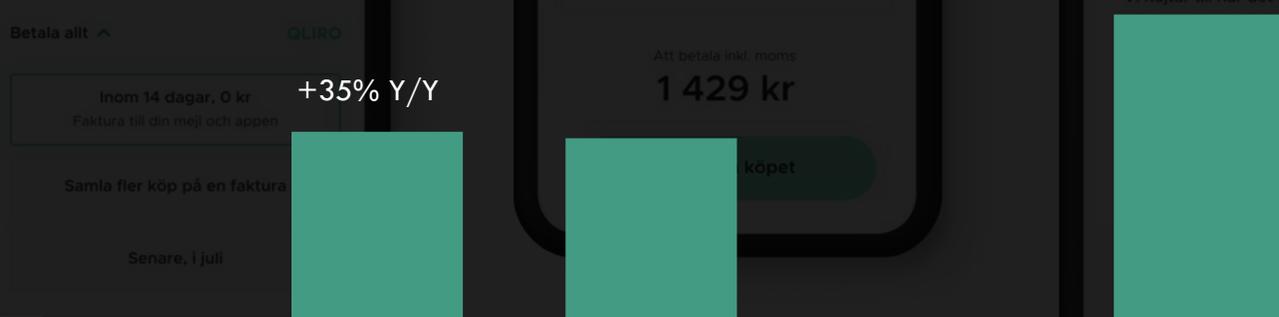
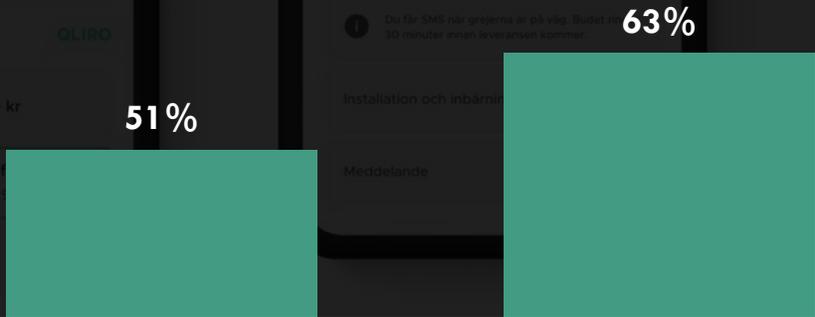
STABLE INCOME AND COST

LOWER CREDIT LOSSES

Strong underlying e-com and growing merchant base increase volumes

Share of PAD volume, merchants outside previous Qliro Group

Breakdown PAD volume growth Q1 2021, MSEK



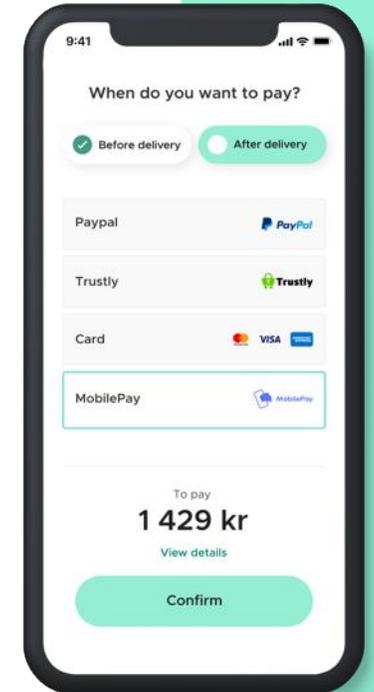
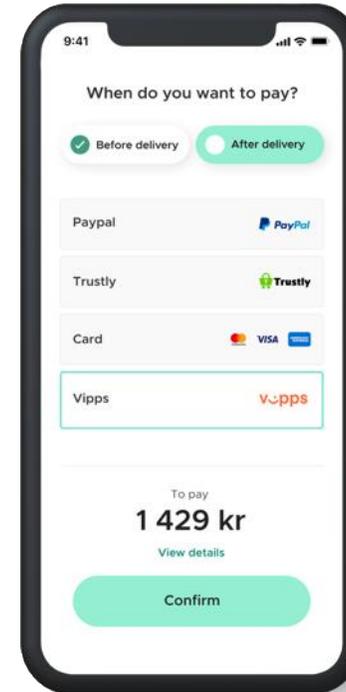
- Total PAD volume growth +27% Y/Y or 332 MSEK and no of PAD transactions +21%

- Volume growth merchant outside previous Qliro Group totalling +56% Y/Y

Q1 HIGHLIGHTS

Strengthened offering in the Nordics

- Strengthened checkout outside of Sweden with integration of the popular payment methods MobilePay (DK) and Vipps (NO)
- Roll out of updated digital consumer platforms in the Nordic countries finished



High profiled merchant signed to accelerate with Qliro

TWISTSHAKE

New segment

blush

First pure Norwegian merchant

STRONGER

High growth rate

Q1 HIGHLIGHTS

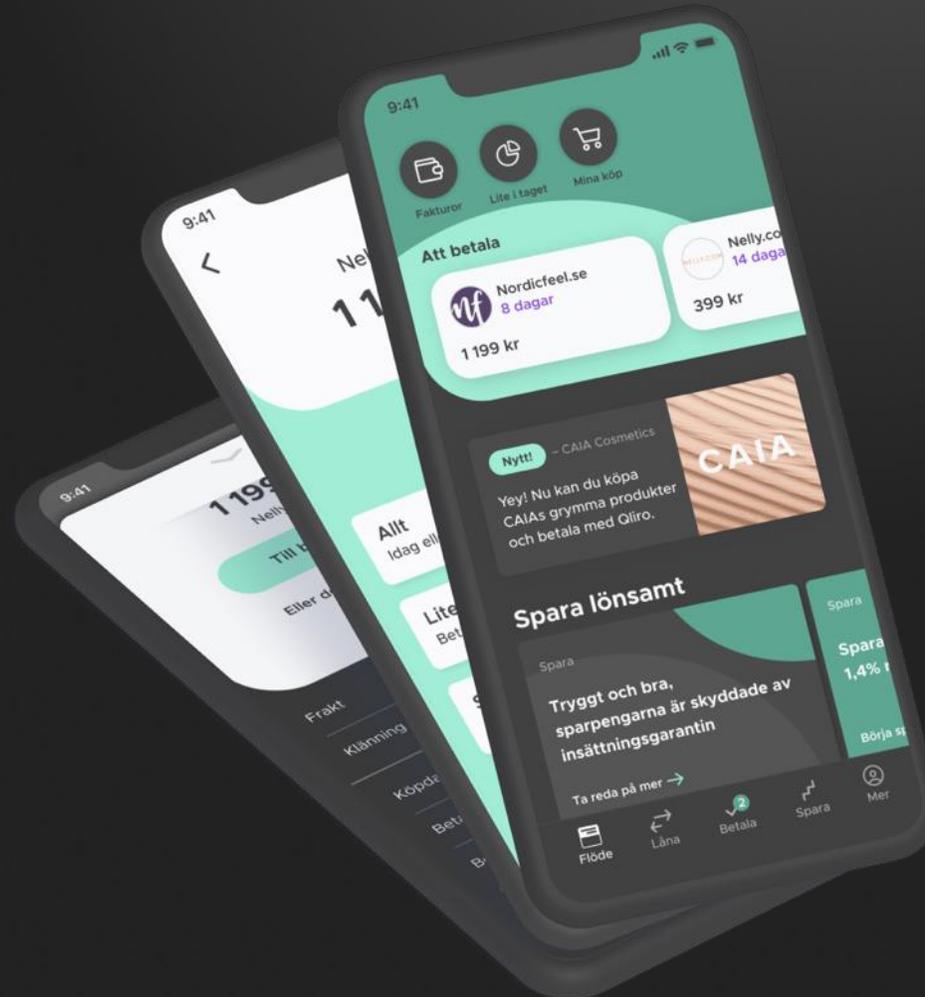
Lifestyle Profile – Next step in our sustainability journey

- As with Retursmart the service Lifestyle Profile was co-created with Deedster, a tech and data driven company focused on inspiring consumers to make more sustainable choices
- Lifestyle profile is a unique solution combining answers from customers with transaction data powered by technology from Tink, enabled by PSDII/Open Banking
- With the information, we provide the customer with a yearly CO2e footprint with details about their monthly shopping behavior



Q1 HIGHLIGHTS

2nd most downloaded financial App in 2020
after Swish* - One year with the new App!



4.4

iOS rating in
App-store

8.3 m

App Loggins L12m Q1
2021

+44%

App logins L12m Q1
2021

Building relationships with millions of consumers

Large and growing database of active consumers...

Active consumers (million)¹⁾

5 million unique consumers²⁾ all time

2.5 million active consumers LTM Q1 2021

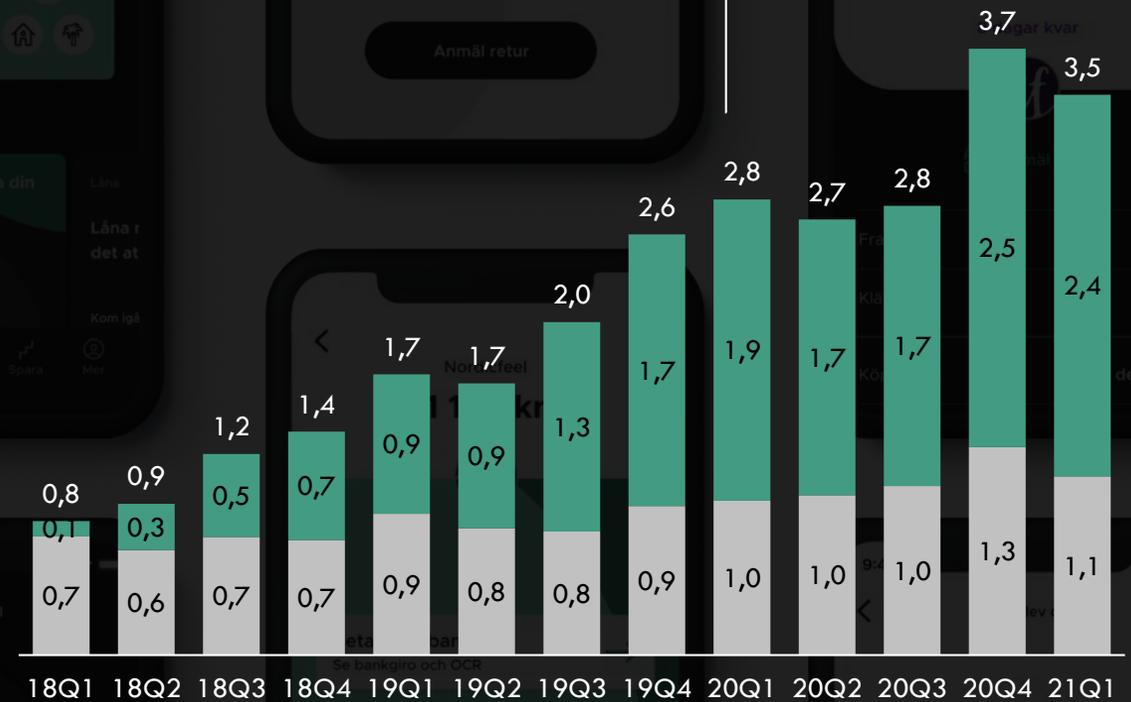


...with strong customer interaction

Number of web and app logins per quarter in Sweden (million)

2.4 million mobile app logins during Q1 2021

27% Y-o-Y growth in app logins



We have developed our services to create a seamless payment experience from purchase in checkout to payment in app and web

From checkout...



Purchase complete – we will notify the customer as soon as the order is activated



Invoice with a clearly marked due date are easy to spot in the app – the customer won't miss the payment



Clear purchase overview and possibility to pause the invoice if a return is made



The customer can pay easily with just one click – without having to enter card details or log into their bank

... to one-click payment



The customer has finalised the payment

Active notifications together with a simple and clear post checkout experience are key to reach high customer satisfaction in PAD

The invoice has evolved from a paper you send when a purchase has been activated to a complete digital experience. In Qliro's digital platforms the consumer can manage their purchases in an easy way, schedule the payment and be notified when to pay



Multiple reminders through push notifications and e-mail to prevent reminder fees



Prolong the due date with up to 10 days without any extra cost



Pause the invoice easily during 30 days if the good(s) are returned



Automated payment at due date or pay directly in the app by a click

Q1

FINANCIALS

Improved profit due to lower loan losses

Comments

- Solid underlying business momentum with increased lending and payment volumes
- Timing, improved customer journeys which lowers reminder rates and regulation effect income negatively
- Continued solid cost control
- Lower losses and stable underlying credit quality. Updated PD-model based on more data gives net reversals in Digital Banking Services

Qliro income statement

SEKm	Q1 2021	Q1 2020	Change Q/Q
Net interest income	53,9	49,3	+9%
Net commission income	41,5	45,3	-8%
Other income	2,2	1,9	+19%
Total income	97,8	96,5	1,4%
Operational expenses	63,3	63,3	0%
Depreciation	23,0	22,2	+4%
Total expenses before loan losses	86,3	85,5	1%
Profit before loan losses	11,5	11,0	5%
Net loan losses	-16,7	-29,6	-43%
Operating profit	-5,3	-18,6	-
Lending to the public	2 401	2 044	17%
PAD-volume	1 563	1 231	27%

Payment solutions – lower income margin and lower losses

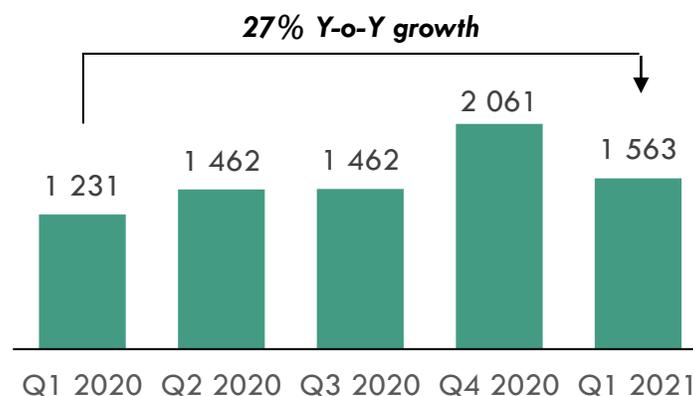
Comments

- Strong volume and transaction development
- Earlier peak of volumes in Q4 2020 compared to historic pattern impacted Q4 2020 income positively and Q1 2021 negatively
- Negative impact on income margin from improved customer platforms and regulatory changes
- Credit losses well below last year

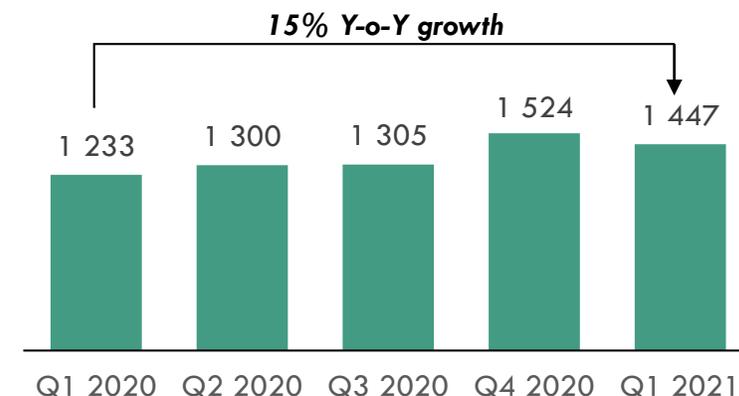
Key figures

SEKm	Q1 21	Q1 20	Change Y/Y
Total operating income	80,6	82,6	-2%
Loan losses	-20,7	-24,2	-14%
Income after loan losses	59,9	58,4	+3%
Lending to the public	1 417	1 233	+15%
PAD volume	1 563	1 231	+27%
Operating income margin	21.9%	25.7%	
Loan loss level, % of originated PAD volume	1.3%	2.0%	

PAD volume, SEKm



Lending, SEKm



Digital banking services – performance

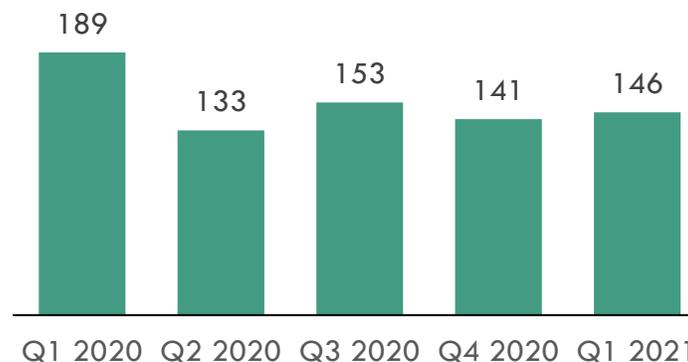
Comments

- Solid financial performance
- Stricter underwriting and dampened demand since Covid-19. Stable growth levels since Q1 2020
- Growth in lending 29% YoY and 5% Q/Q
- Stable margin development
- Net reversals driven by stable underlying credit quality and more data in updated PD-model (first update since launch 2017)

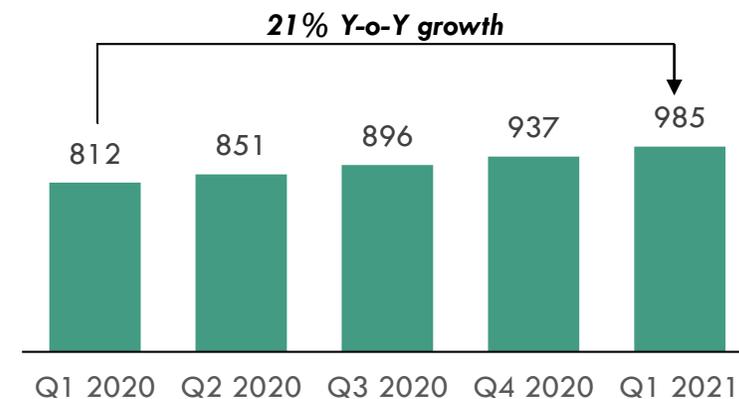
Key figures

SEKm	Q1 21	Q1 20	Change Y/Y
Total operating income	17.1	13.8	+24%
Loan losses	4,0	-5.4	N/A
Income after losses	21.1	8.5	+150%
Lending to the public	985	812	+21%
Operating income margin, %	7.2%	7.2%	+/- 0 pp
Loan loss level, % of average lending	-1,7%	2.8%	

New lending, SEKm



Lending, SEKm

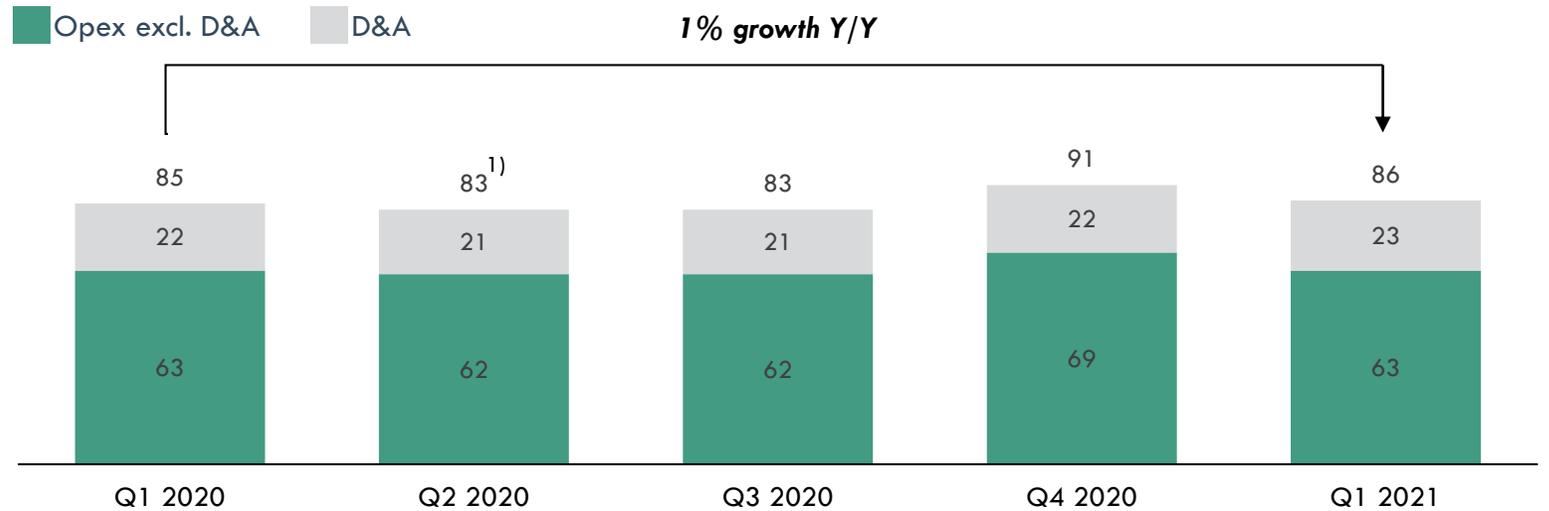


Stable cost development although higher volumes

Comments

- Stable cost level maintained
- Seasonally higher cost in Q4 driven by variable costs but also to some extent costs of becoming public
- Will continue to invest in our technical platforms

Cost development, SEKm

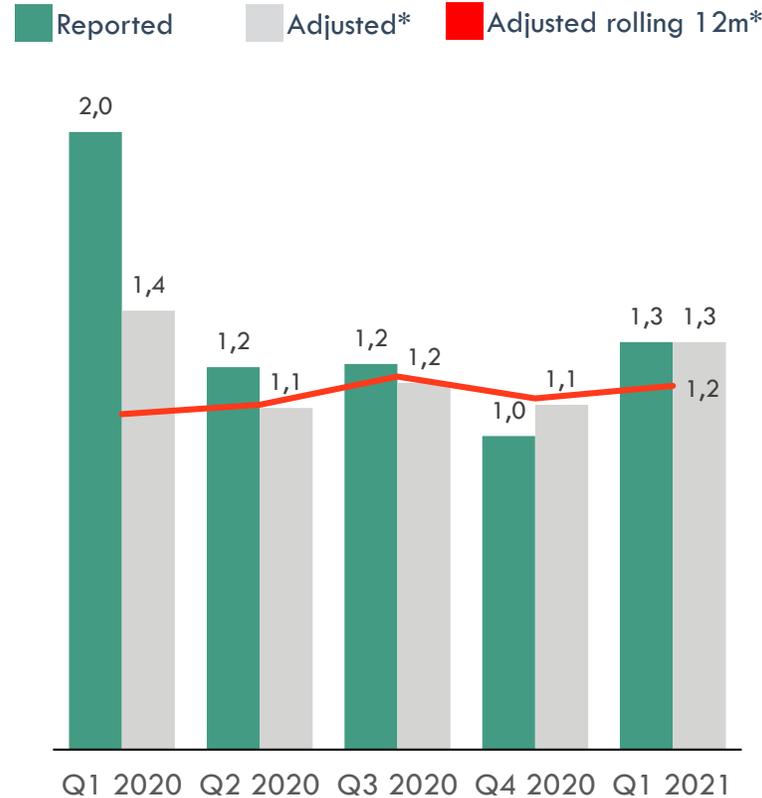


Stable credit performance

Comments

- Clean balance sheet strategy – low valuation risk in the balance sheet
- Stable PAD credit performance with improved underlying credit quality
- Personal loans underlying credit quality stable. More underlying data in new model for provisions gives net reversals in the quarter
- Approx. 6 MSEK in the balance sheet as extra provisions given covid

PAD losses in relation to PAD volumes, %



Loan loss level, personal loans, %

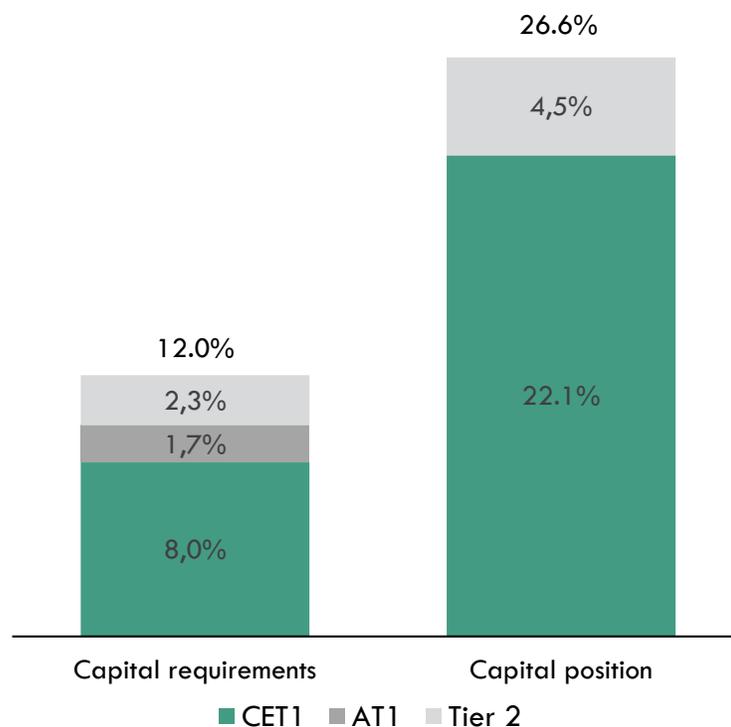


Well capitalised for continued growth

Comments

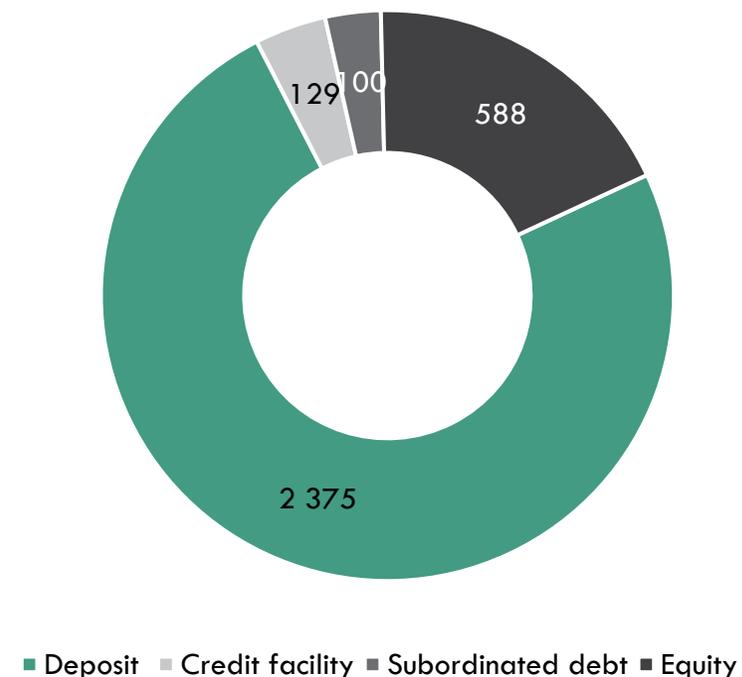
- Stable capital ratios in the quarter and capital base ~ 320 MSEK larger than total regulatory requirement
- Somewhat lowered deposit rate during the quarter
- Continued strong liquidity position with LCR at 298%

Capitalisation, %



Funding split

SEKm



Next steps

- Continue to strengthen our position as no 1 challenger for larger and mid-sized merchants in the Nordics by organic growth of the merchant base
- Potential for add-on acquisitions to strengthen offering or accelerate growth
- Ambition: Grow income faster than cost
- Q2 report: 20th of July



QLIRO