

Qliro Q3 2020 presentation

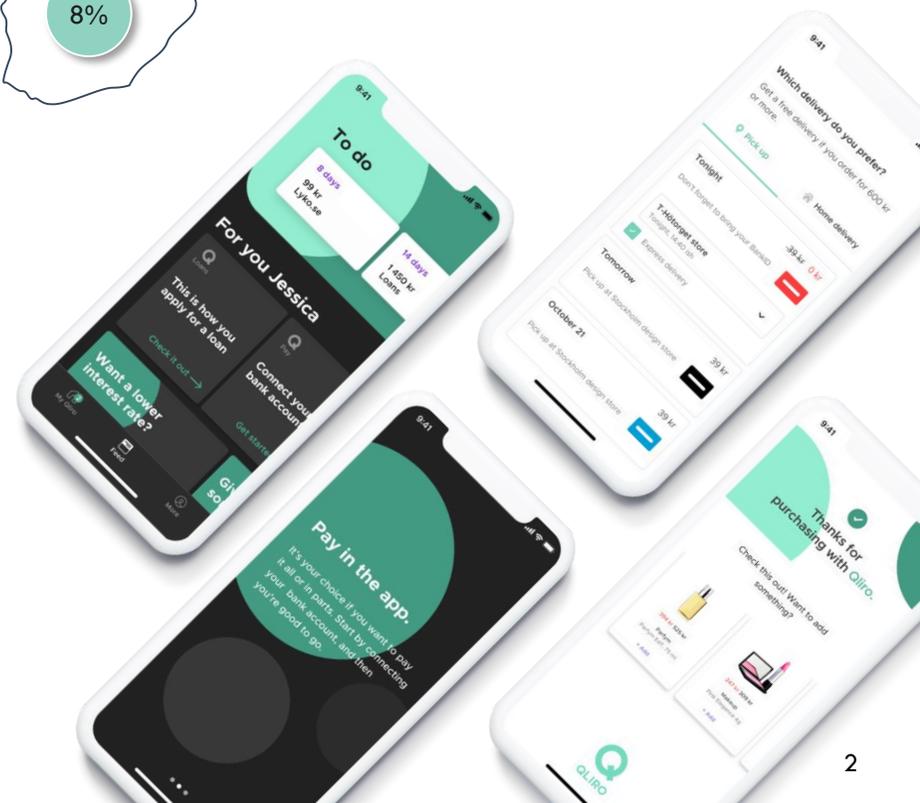
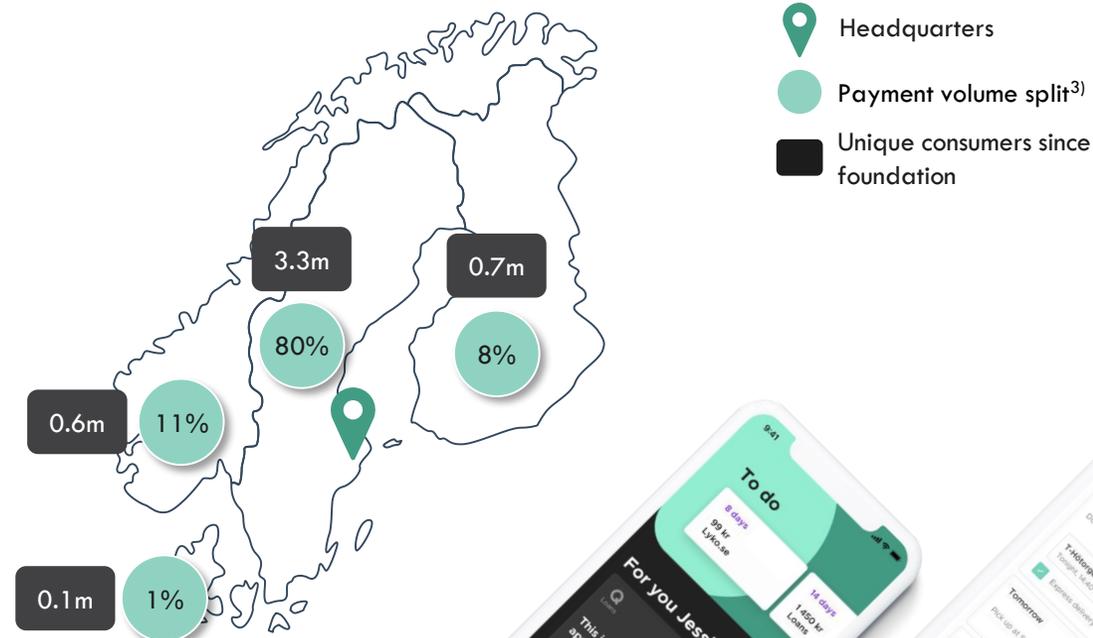
CEO Carolina Brandtman and CFO Robert Stambro

21 October 2020



Fast growing tech company offering payment solutions and digital banking services on a modern platform

- Business powered by data collection and analytics from millions of payment transactions and consumer interactions on Qliro's platform
- True understanding of the needs among large- and mid-sized merchants and consumers has been the strength of Qliro since it was founded
- Based in Stockholm, Qliro is active on four markets and employs ~200 FTEs, of which ~70 FTEs within tech and product development
- Payment solutions available across the Nordics and personal loans currently only in Sweden



Active consumers¹⁾

2.3 m

Transactions²⁾

6.5 m

Payment volume³⁾

5.8 bn

Revenue⁴⁾

367 m

Revenue growth⁵⁾

13%

Largest owners⁶⁾

Rite Ventures: **25.8%**
Sampo Group: **9.8%**
(through Mandatum Life)

1) As of 30 September 2020. Defined as unique customers who have used at least one of Qliro's services during the last 12 months. 2) Pay-after-delivery transactions LTM Q3 2020. 3) Only referring to pay-after-delivery volume LTM Q3 2020. 4) Total operating income LTM Q3 2020. 5) Q3 2020 vs Q3 2019 6) Based on Qliro Group's largest shareholders as of 31 Aug 2020 and subsequent known changes.

Qliro offers payment solutions that simplify online shopping

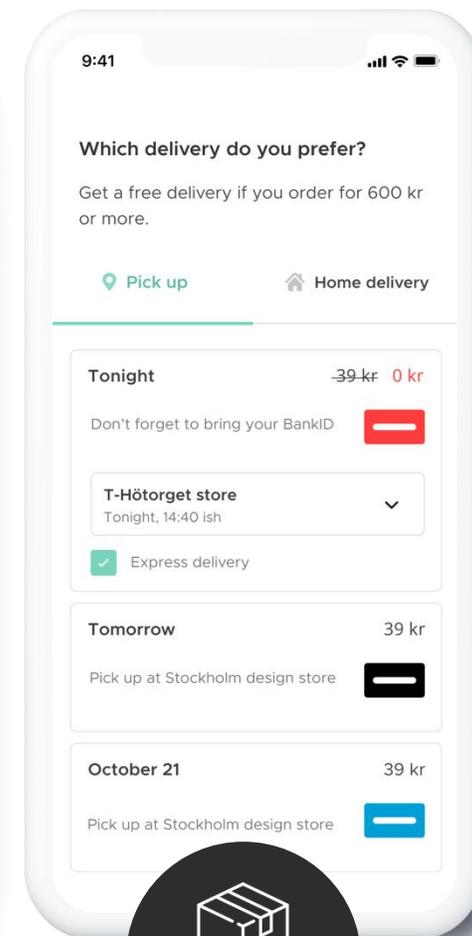
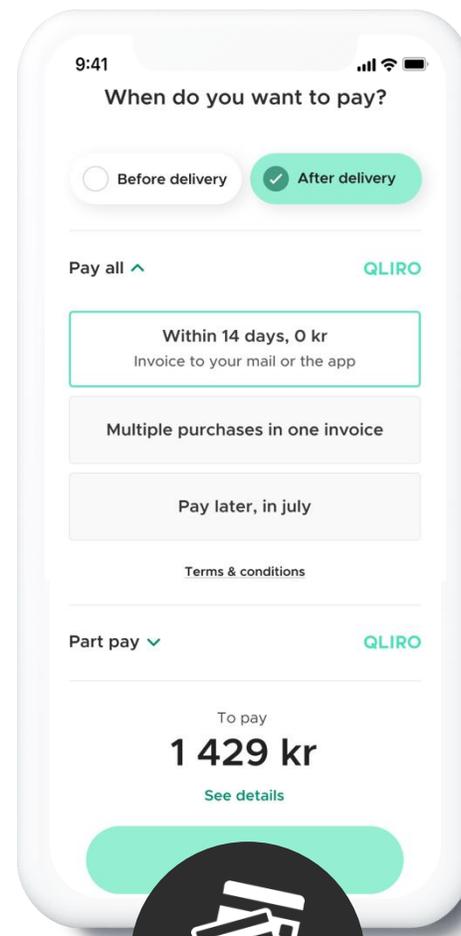


Qliro's pay-after-delivery offering

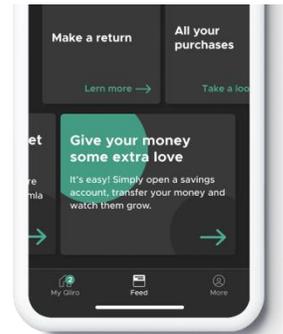
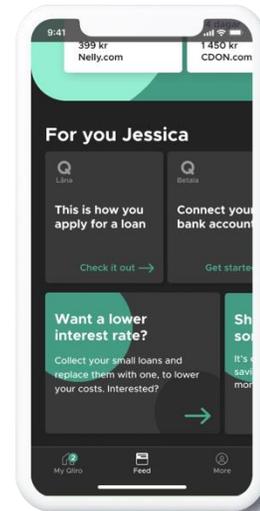
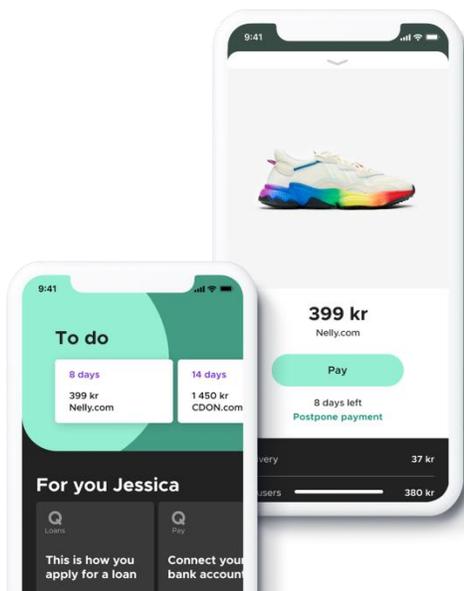
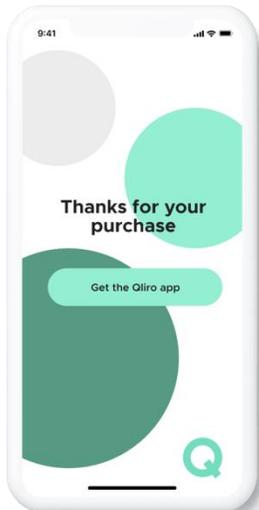
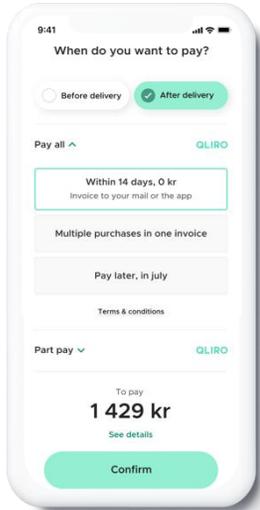
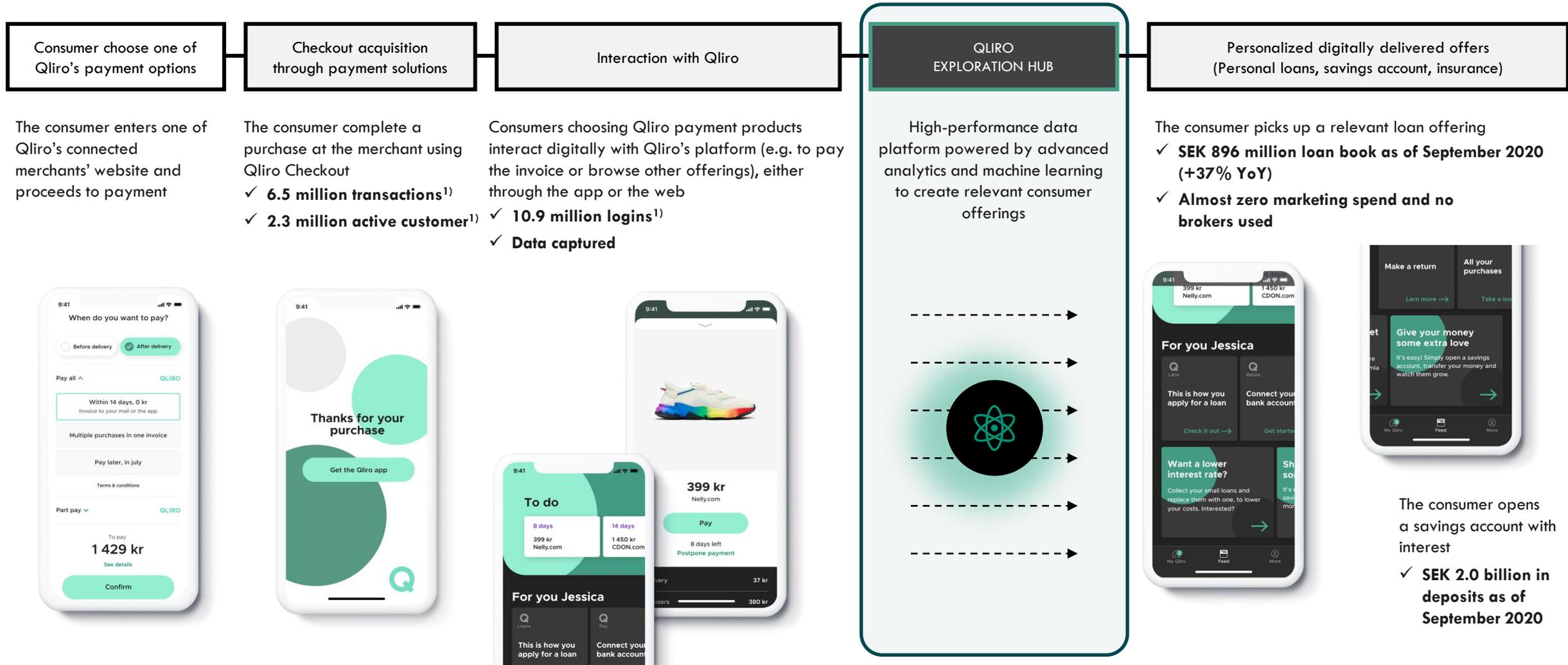
Invoice	14 days from purchase to payment
"Buy Now Pay Later"	Payment due date up to 90 days
Part Payment	Fixed and Flexible part payment

Direct payment offered through partnerships

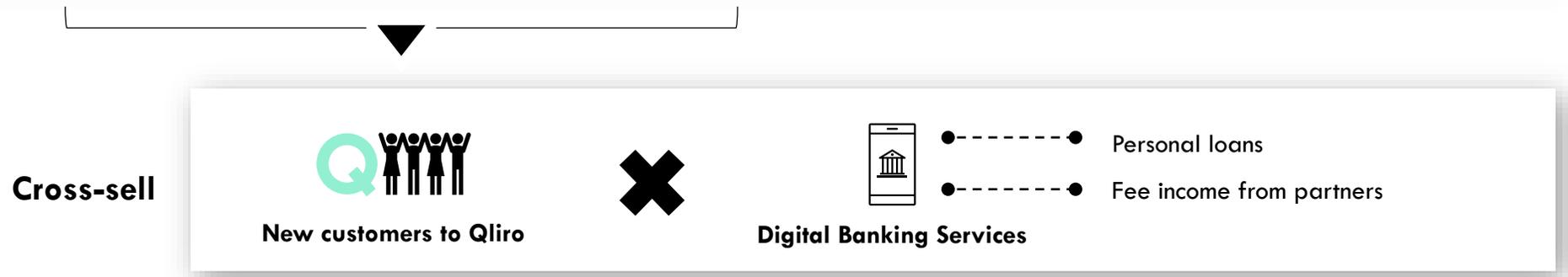
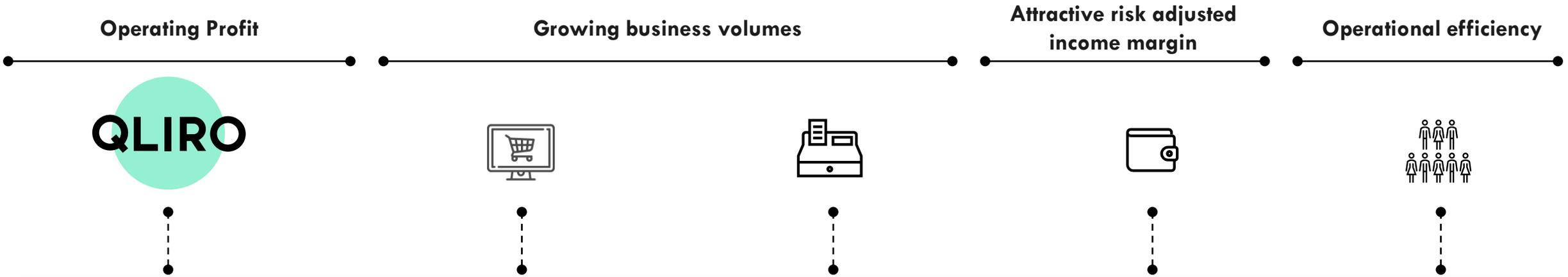
Card	  
Direct from bank	 Trustly
PayPal	



Qliro's platform enables interactions and cross-selling



Operating leverage on platform scaled to support profitable growth



Q3

HIGHLIGHTS

NASDAQ LISTING – 2ND OF OCTOBER

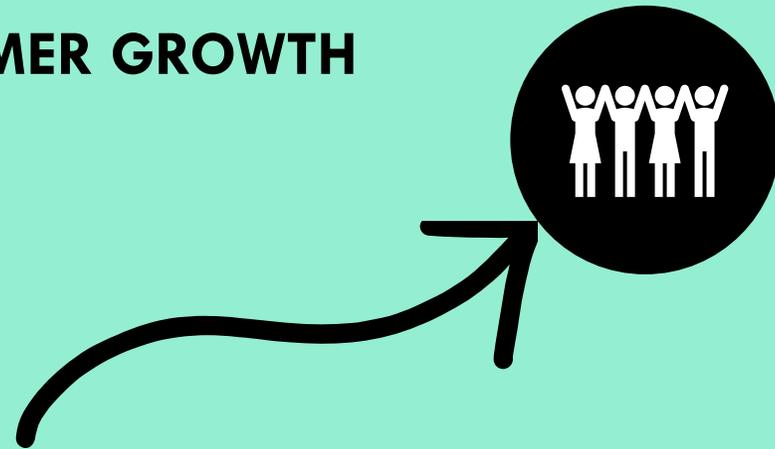
Q3
HIGHLIGHTS



Q3

HIGHLIGHTS

CUSTOMER GROWTH



- Growth of number of active customers with **>200k Q2+Q3**
- **2,3m** active customers

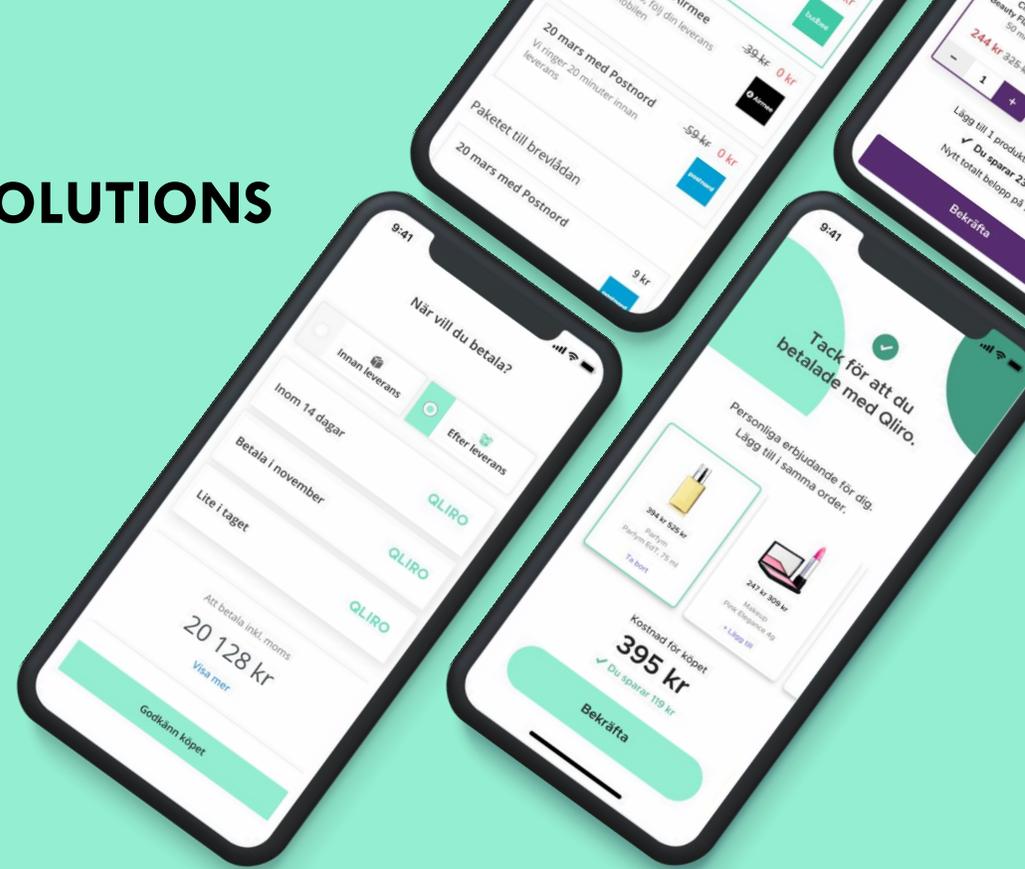
NEW App Q1 - Success

- One of the most downloaded apps in its category with **4.4** rating
- **8,3m** customers log-ins YTD - growth of **30%**

Q3

HIGHLIGHTS

PAYMENT SOLUTIONS



- Many of our partner merchants are experiencing a **strong growth**
- Growth of **32% YoY** in number of pay-after-delivery transactions
- **Strongest volume growth 16% YoY** since late 2018

Q3

HIGHLIGHTS

DIGITAL BANKING SERVICES



- **High growth rate** YoY within personal loans though at slower rate than pre covid-19

Qliro – more restrictive
in our lending

Dampening demand
since March/April

We still see good potential to continue to grow lending but important to do so with the right level of credit risk, given the uncertain economy

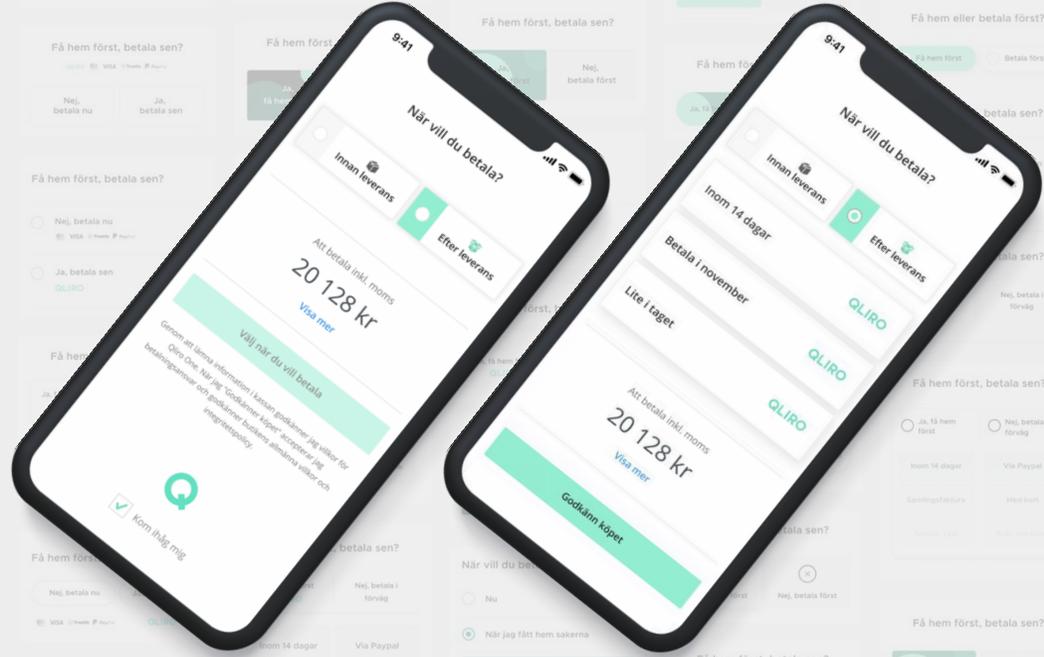
- **No** general signs of reduced ability to pay from consumers

NEW CHECKOUT LEGISLATION SWEDEN

Q3

HIGHLIGHTS

- Customer centric approach with +120 variations tested
- New checkout that is **easy and intuitive to use**
- **Good results** from new checkout design



Consumers continues to make informed decision on which payment method they prefer to use

Payment solutions – income growth from commercial execution

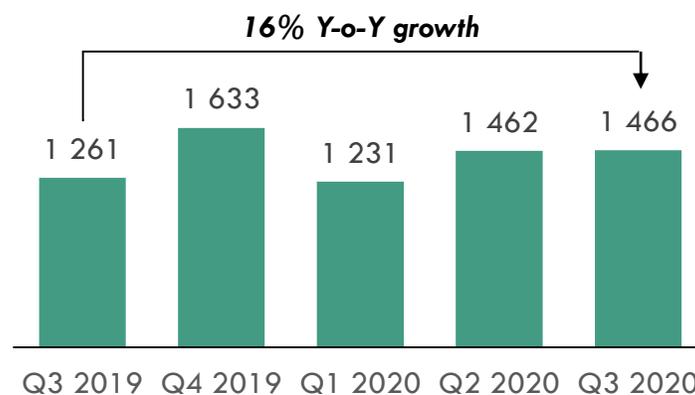
Comments

- **Strongest volume growth** experienced in almost two years, +16%
- **Income momentum picking up** - growth at 7%, despite some headwind from Finnish regulation in 2019. Highest income growth in over a year
- **Continued higher provisioning** for worsening macro (0.9 MSEK in Q3 and 5.2 MSEK YTD 2020). No deterioration in underlying credit quality. Lower loan loss level than withdrawn guidance of 1,25%

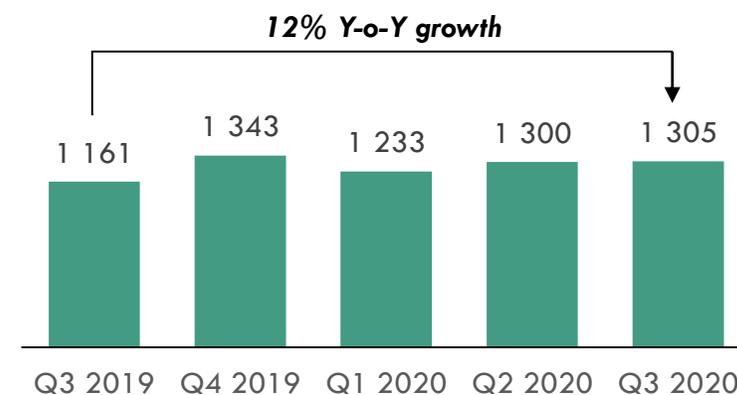
Key figures

SEKm	Q3 20	Q3 19	Change Y/Y
Total operating income	81	76	+7%
Loan losses	18	7	
Lending to the public	1 305	1 161	+12%
PAD volume	1 466	1 261	+16%
Operating income margin	25.0%	26,3%	
Loan loss level, % of volumes	1.2%	0,6%	

PAD volume, SEKm



Lending, SEKm



Digital banking services – continued growth but at a lower level

Comments

- **Stricter underwriting and dampened demand since Covid-19.** Growth in lending 37% YoY and 5% QoQ
- Total operating income 59% grows faster than lending driven by **higher operating margins**
- **Continued higher provisioning** for worsening macro given covid-19 (0.5 MSEK Q3 and 3.7 MSEK YTD). No deterioration in underlying credit quality. Lower loan loss level than the withdrawn guidance of 2,5%

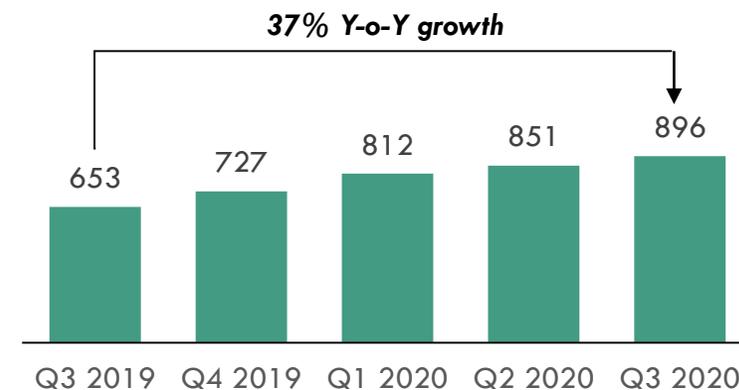
Key figures

SEKm	Q3 20	Q3 19	Change Y/Y
Total operating income	16	10	+59%
Loan losses	5	3	+55%
Lending to the public	896	653	+37%
Operating income margin, %	7.2%	6.8%	+0.4 pp
Loan loss level, % of average lending	2.4%	2,3%	

New lending, SEKm



Lending, SEKm

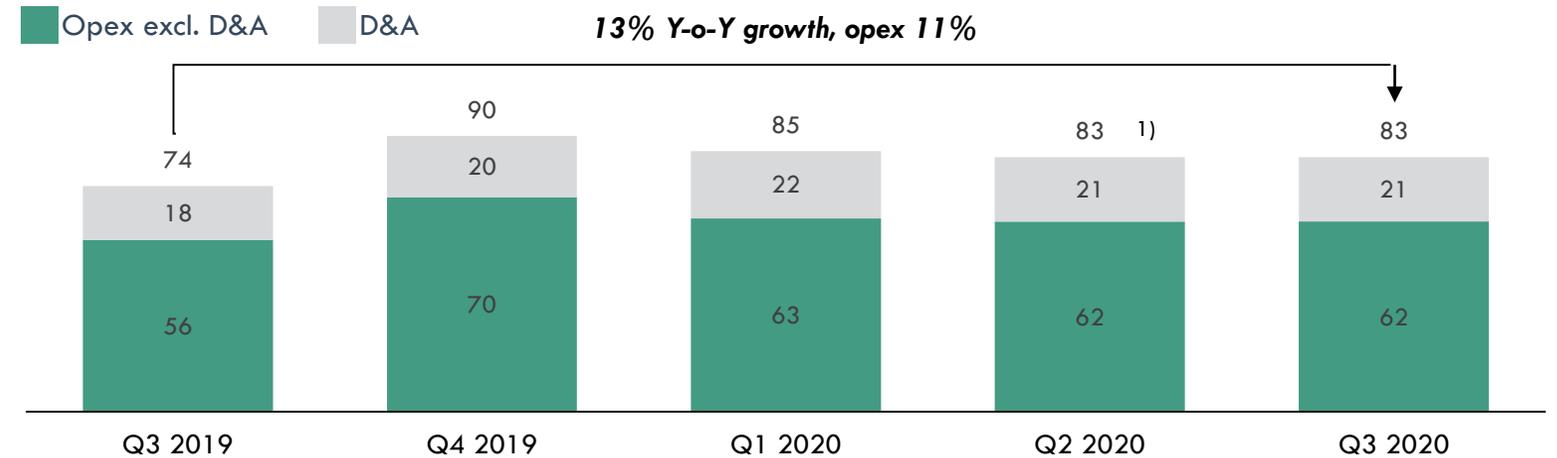


Stable cost development in 2020

Comments

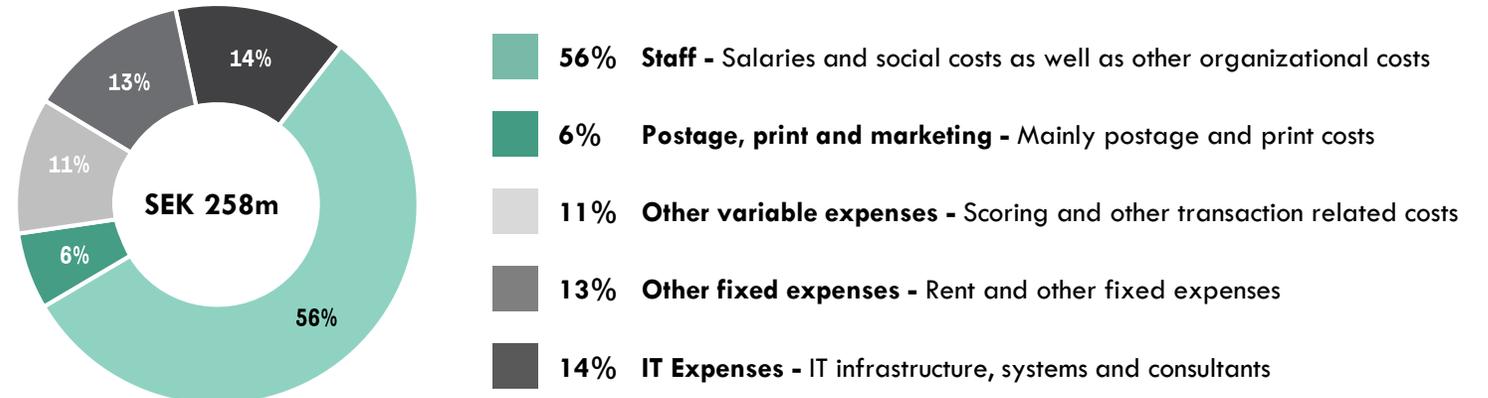
- **Stable cost level** during 2020
- **Seasonality in cost** - Q4 driven by higher volumes but lower variance expected in 2020
- **Depreciations on a somewhat lower level** in Q3 driven by the impairment of 16m made in Q2

Cost development, SEKm



Opex breakdown

Opex breakdown LTM Q3, 2020

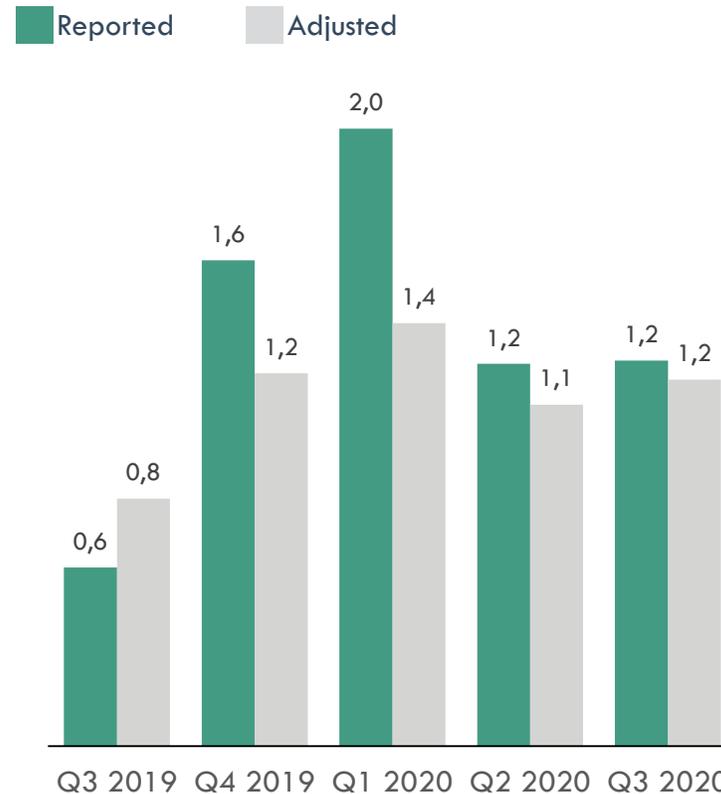


Stable underlying credit quality

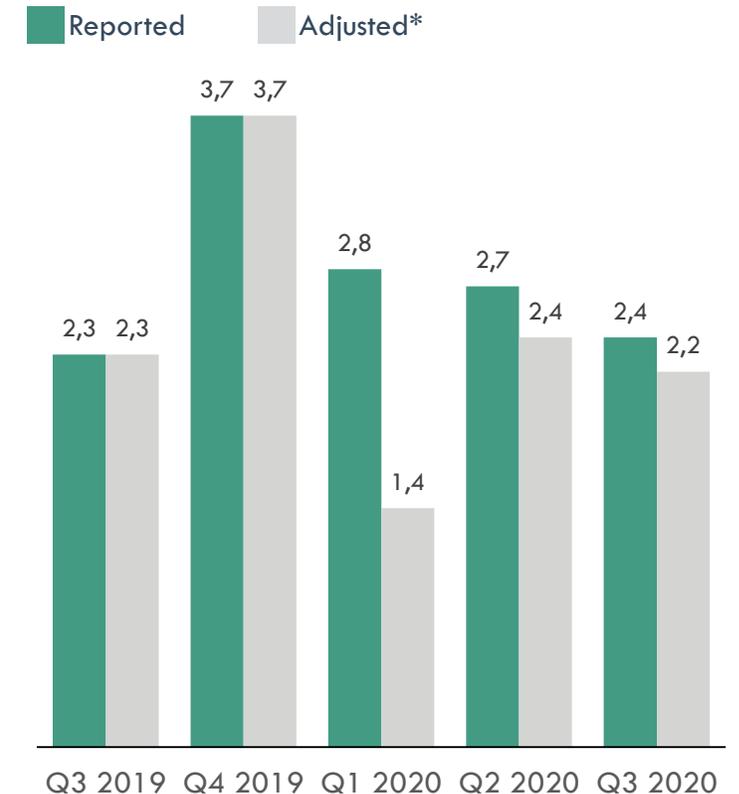
Comments

- **Clean balance sheet strategy** gives low remaining balance sheet risk - last market implemented in Q3 2019
- **PAD underlying credit quality stable and stable development in 2020**, Adjusted for ad-hoc portfolio sales and increased provisions due to covid-19, loss level is <1.25%, the withdrawn guidance
- **Improved underlying credit quality personal loans** – below previous withdrawn guidance of 2.5% although higher provisions due to covid-19

PAD losses in relation to PAD volumes, %



Loan loss level, personal loans, %



Positive trends becoming visible in Q3

Comments

- In accordance with our ambitions - **Income now grows faster than cost**
- **Income growth – 13% highest growth level since Q2 2019**
- **Positive trend in income and cost** when comparing the quarter development to YTD trend - shows the positive momentum in the business

Condensed income statement and volumes

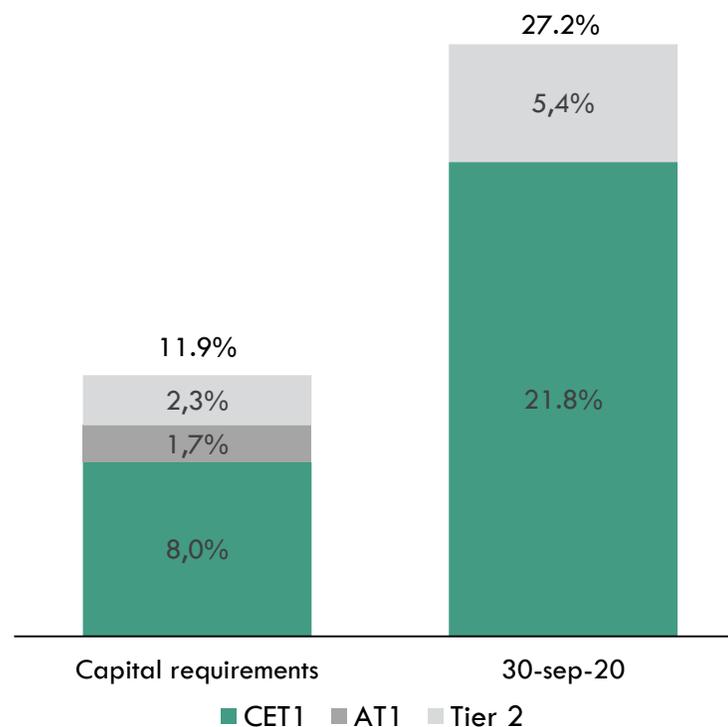
SEKm	Q3 2020	Q3 2019	Change Y/Y	YTD 2020 ¹	YTD 2019	Change Y/Y
Total income	97	86	13%	280	258	9%
Total expenses before loan losses	-83	-74	13%	-268	-212	26%
Net loan losses	-23	-11	-	-76	-42	83%
Operating profit	-10	1	-	-64	4	-
Lending to the public	2 201	1 815	21%	2 201	1 815	21%
PAD-volume	1 466	1 261	16%	4 159	3 692	13%

Capital position and funding platform for growth

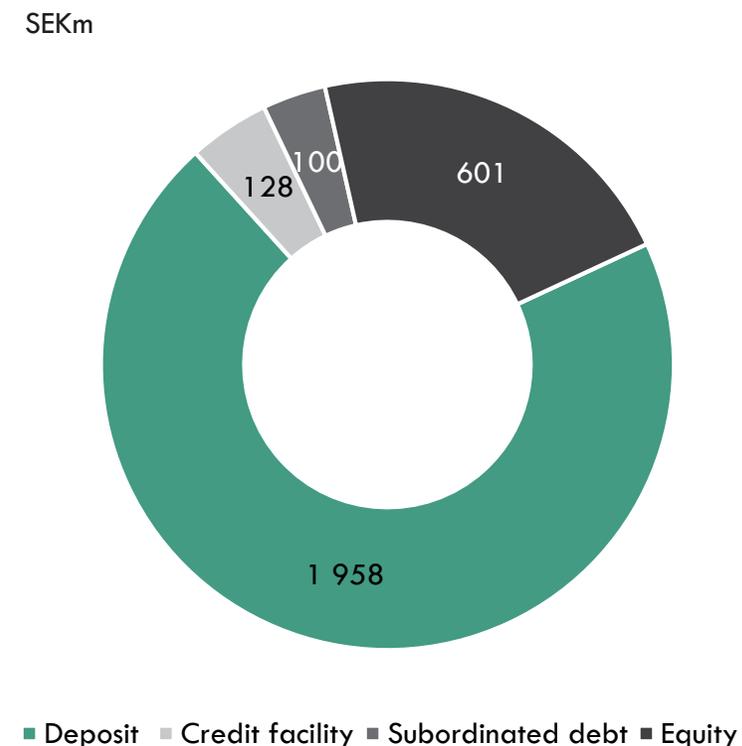
Comments

- **Well capitalised well above regulatory levels** - Injection of capital from share issue in Qliro Group, +125 SEKm in Q3
- **100m in lower capital requirements during 2020**
 - Changed method capital requirement for operational risk
 - Countercyclical buffers lowered
- **Diversified and suitable funding base** - EUR deposits launched in Germany in H1 20 provides additional funding source

Capitalisation, %



Funding split



Q4

FOCUS

- **Commercial execution - peak quarter**
- **Improve customer experience**
- **Continued focus on credit quality**
- **Cost control**
- **Income growth to exceed cost growth**



QLIRO