

Qliro Q3 2021 presentation

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26 October 2021

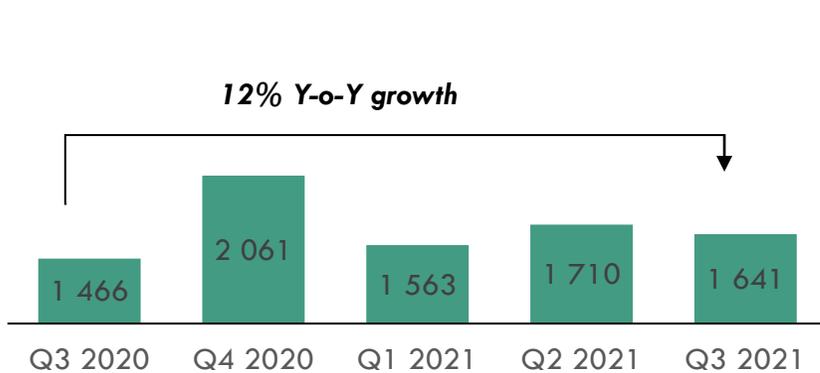


Q3 in brief

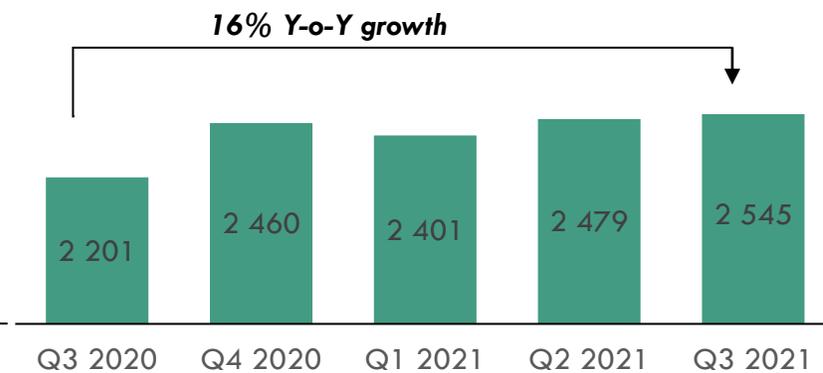
- ✓ Growth in business volumes
- ✓ Stable margins in respective segment during 2021
- ✓ Broadening of offering towards SME-merchants
- ✓ Launch of new developer portal to improve onboarding processes
- ✓ Stopped e-mailmarketing of private loans

Improved risk adjusted income, Q3 vs Q3

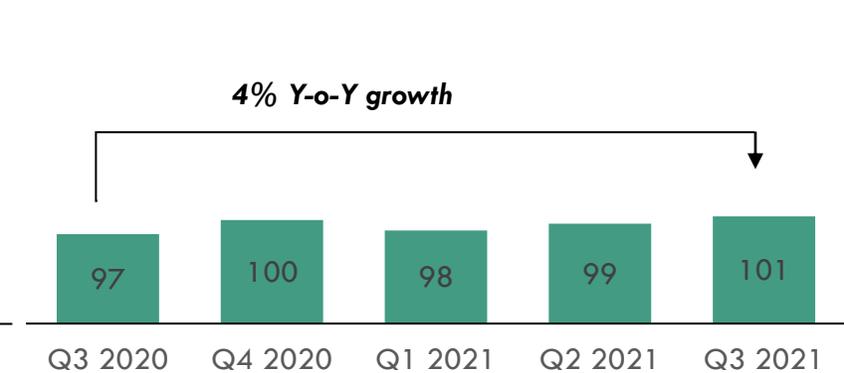
PAD volume, SEKm



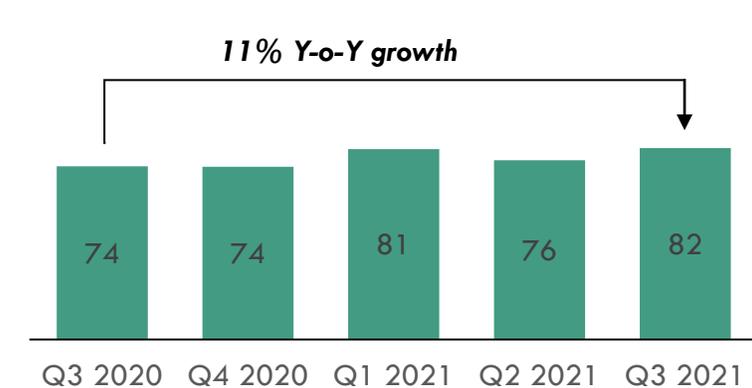
Lending, SEKm



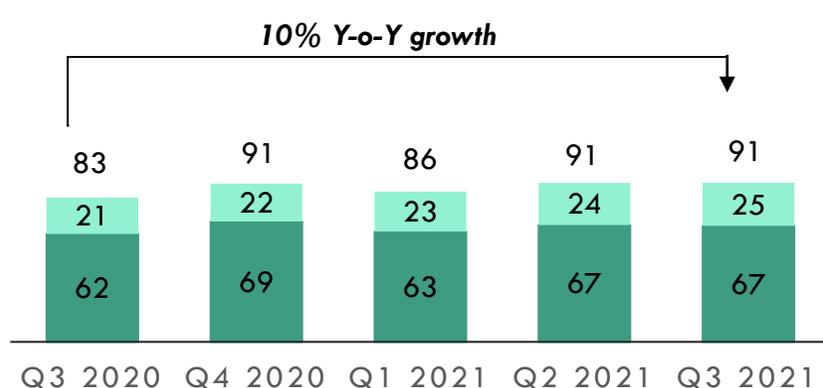
Income, SEKm



Risk adjusted income, SEKm



Cost, SEKm

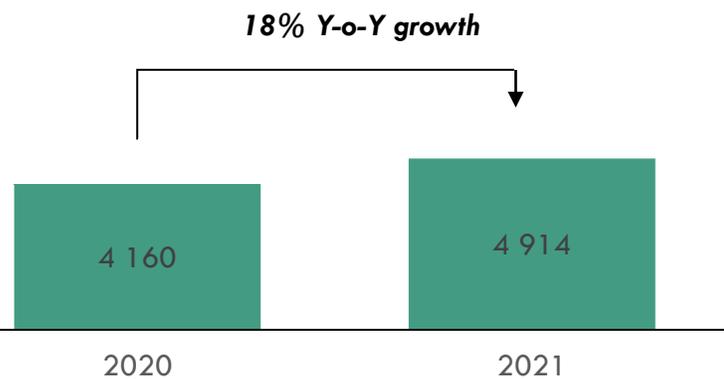


Operating profit, SEKm

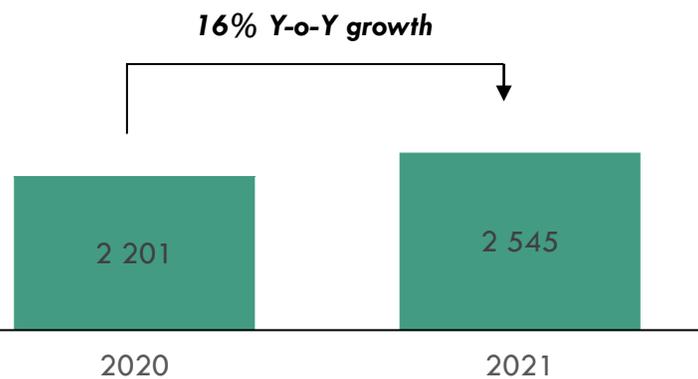


Improved operating profit, YTD financial performance

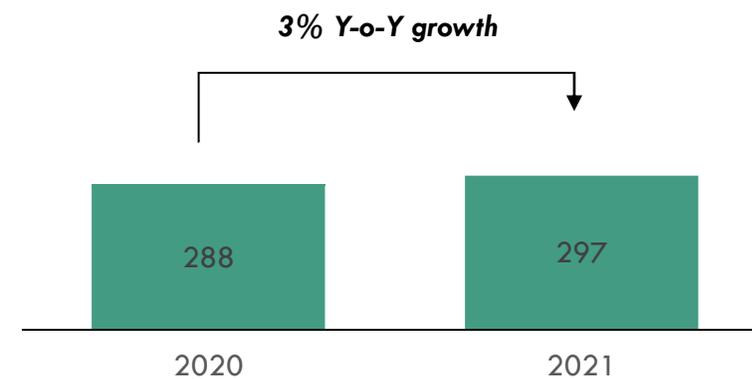
PAD volume, SEKm



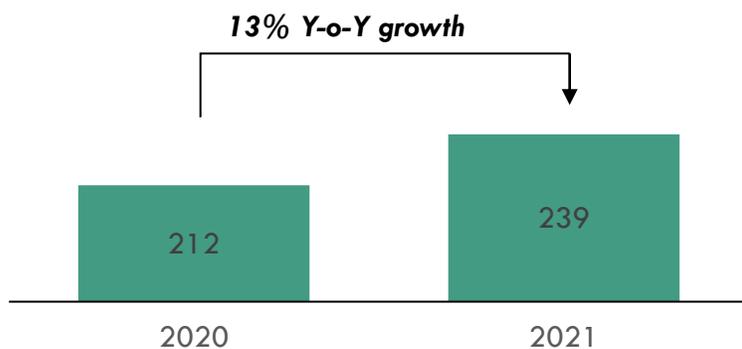
Lending, SEKm



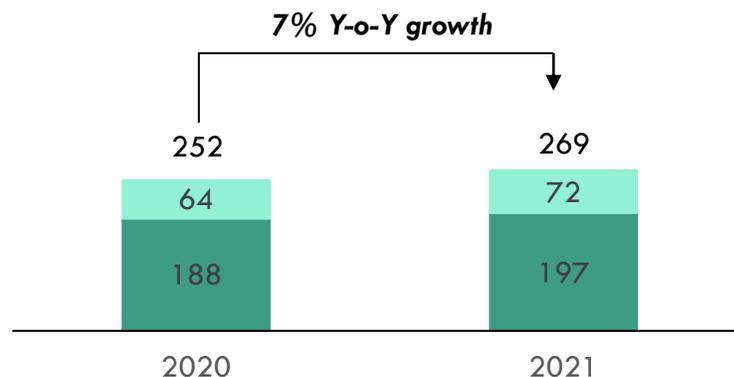
Income, adj. for non-recurring items SEKm



Riskadjusted income, adj. for non-recurring items SEKm



Cost, adj. for non-recurring items, SEKm



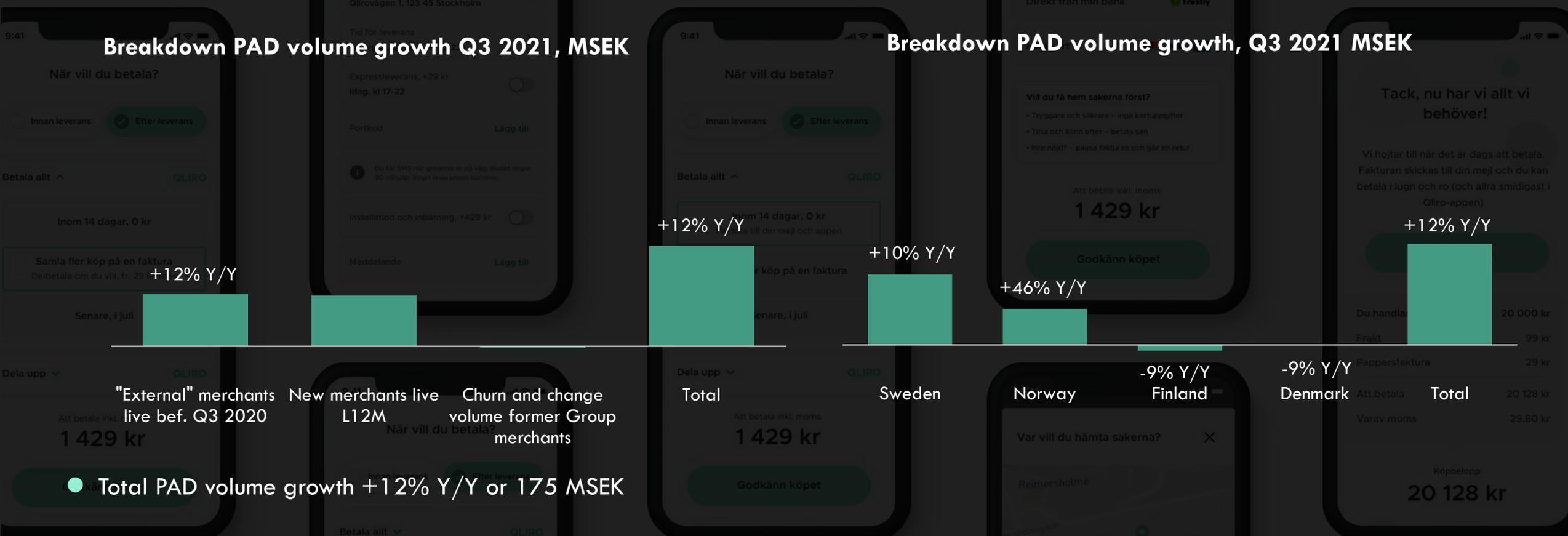
Operating profit, SEKm



PAD volume development at a glance

Breakdown PAD volume growth Q3 2021, MSEK

Breakdown PAD volume growth, Q3 2021 MSEK



● Total PAD volume growth +12% Y/Y or 175 MSEK

● Volume growth merchant outside previous Qliro Group totalling +17% Y/Y

● New merchants mainly includes Biltema, Blush and Scandinavian Luxury. Churn includes HSN&G

● Fastest relative growth in Norway with newly onboarded partners

Q3

FINANCIALS

Stable operating profit

Comments

- Growth in payment volumes and lending
- Income growth negatively affected by less reminder income.
 - Positive customer experience
 - Negative income effect
 - Positive credit impact
- Cost stable level from Q2 growth compared to last year but
- Positive credit performance
- Stable operating profit

Qliro income statement

| SEKm | Q3 2021 | Q3 2020 | Change Q/Q |
|--|--------------|--------------|-------------|
| Net interest income | 55,4 | 50,9 | +9% |
| Net commission income | 43,1 | 44,2 | -3% |
| Other income | 2,0 | 1,9 | +8% |
| Total income | 100,5 | 97,1 | 4% |
| Operational expenses | 66,7 | 62,5 | +7% |
| Depreciation | 24,7 | 20,8 | +19% |
| Total expenses before loan losses | 91,4 | 83,3 | +10% |
| Profit before loan losses | 9,2 | 13,8 | -33% |
| Net loan losses | -18,9 | -23,3 | -19% |
| Operating profit | -9,7 | -9,5 | -2% |
| Lending to the public | 2 545 | 2 201 | 16% |
| PAD-volume | 1 641 | 1 466 | 12% |

Payment solutions – growth of business volumes

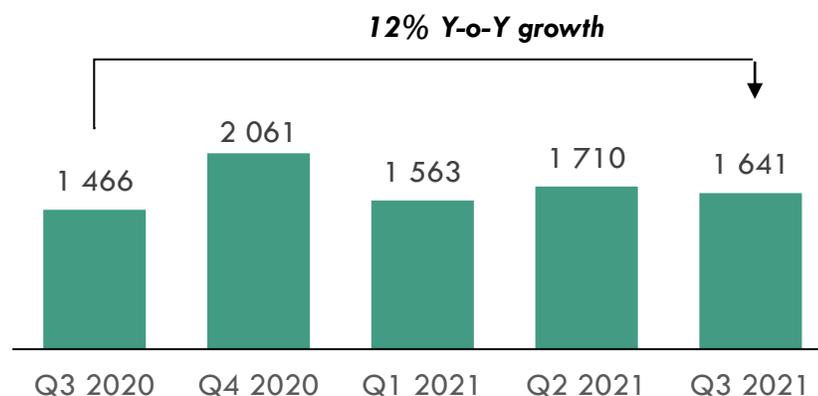
Comments

- Positive volume development. Underlying growth and new merchants drive growth.
- Less reminder fees, from regulatory changes and improved customer platforms, lowers margin
- Positive underlying credit performance. Positive impact of 1.5 MSEK due to release of covid-provisioning
- Risk-adjusted income growth of 3%

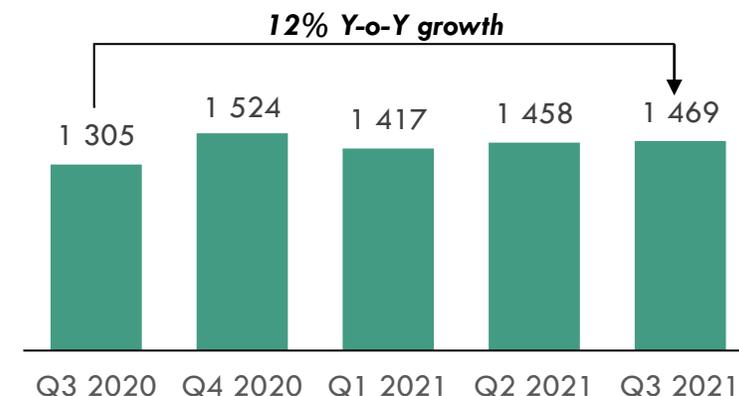
Key figures, Q3 2021

| SEKm | Q3 21 | Q3 20 | Change Y/Y |
|---|-------|-------|------------|
| Total operating income | 81,5 | 81,3 | 0% |
| Loan losses | -16,5 | -18,0 | -8% |
| Income after loan losses | 65,0 | 63,3 | +3% |
| Lending to the public | 1 469 | 1 305 | +12% |
| PAD volume | 1 641 | 1 466 | +12% |
| Operating income margin | 22.3% | 25.0% | |
| Loan loss level, % of originated PAD volume | 1.0% | 1.2% | |

PAD volume, SEKm



Lending, SEKm



Digital banking services – solid financial development

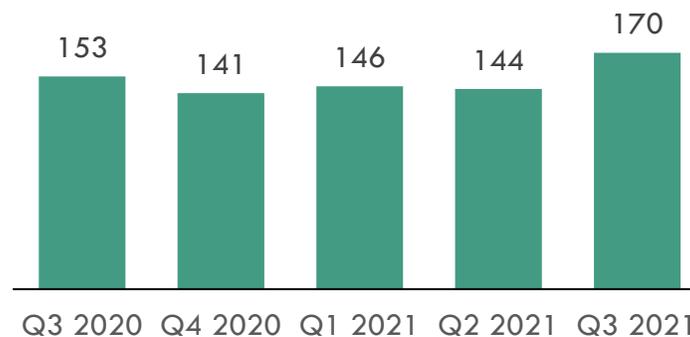
Comments

- Growth in lending 20% YoY and 5% Q/Q.
- Strong new sales in the quarter but slower growth since stop of e-mailmarketing
- Stable operating income margin development
- Improved credit quality. Positive impact of 2.5 MSEK due to release of covid-provisioning.
- Risk adjusted income +57% Y/Y

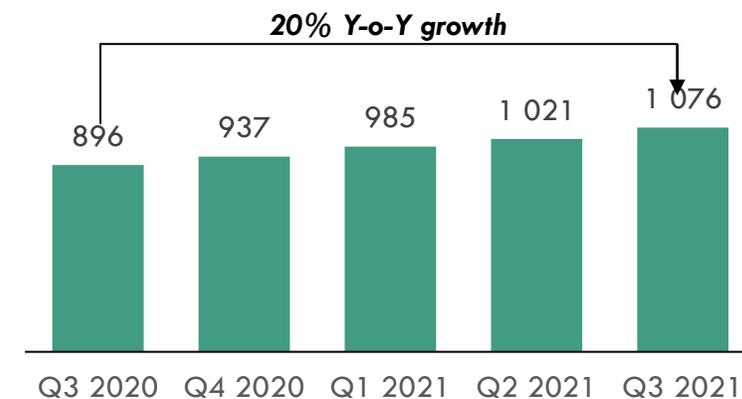
Key figures

| SEKm | Q3 21 | Q3 20 | Change Y/Y |
|---------------------------------------|-------|-------|------------|
| Total operating income | 19.0 | 15.8 | +20% |
| Loan losses | -2.4 | -5.3 | -55% |
| Income after losses | 16.6 | 10.5 | +57% |
| Lending to the public | 1 076 | 896 | +20% |
| Operating income margin, % | 7.3% | 7.2% | + 0.1 pp |
| Loan loss level, % of average lending | 0.9% | 2.4% | |

New lending, SEKm



Lending, SEKm

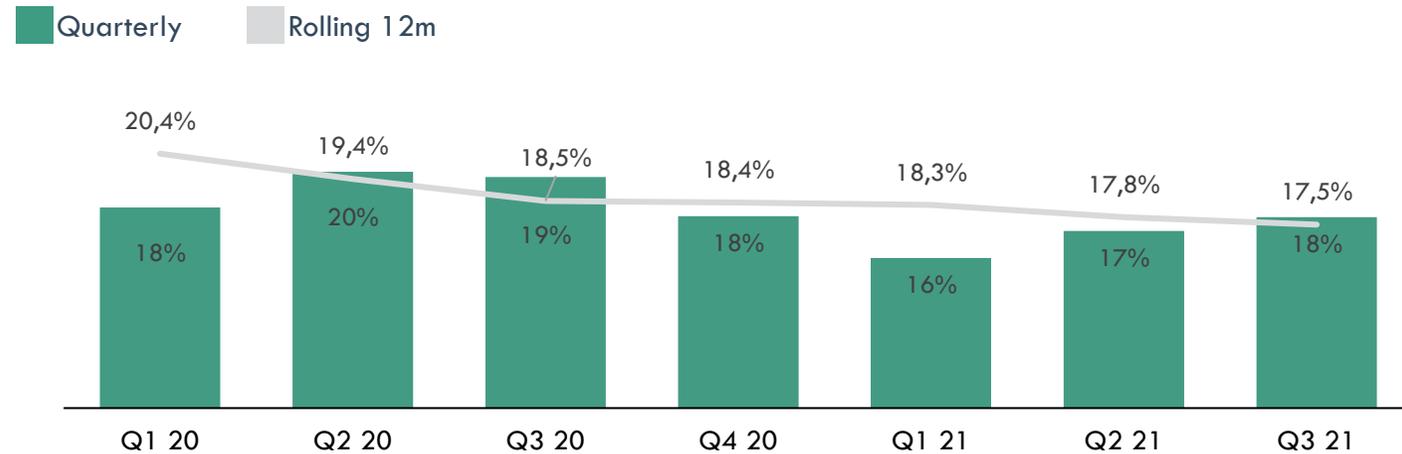


Attractive income margins

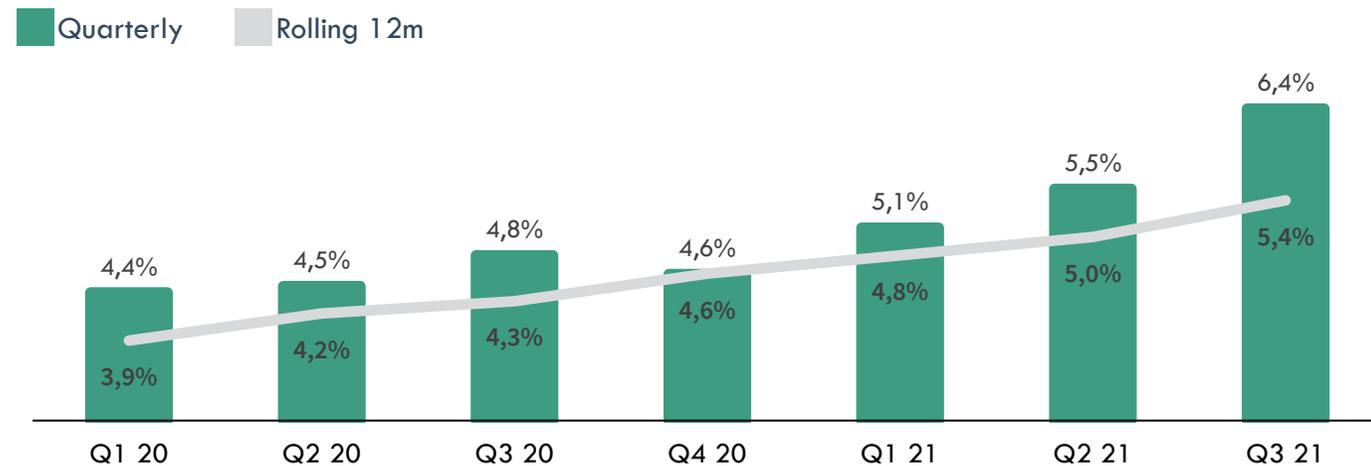
Comments

- Payment Solutions: Income margin lower in 2021 than 2020 but stable through 202. Quarterly margin now in line with rolling 12m margin.
- Positive margin development in Digital Banking services driven by increased interest rates as well as better credit performance

Payment solutions, riskadjusted income margin¹



Digital Banking Services, riskadjusted income margin¹



¹⁾ Adjusted for the negative non-recurring income effect of 8,4 MSEK in Q1 2020 in Payment Solutions and the positive effect of 8.8 MSEK on credit losses in Q1 2021 in Digital Banking Services

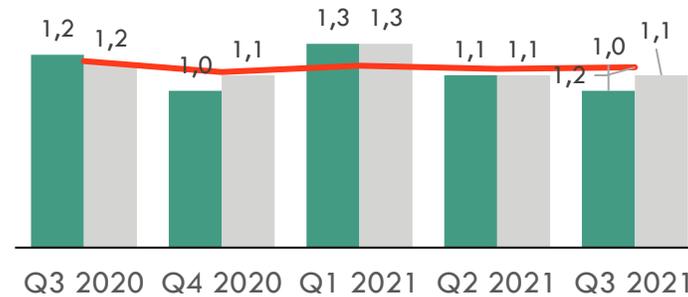
Improved credit performance

Comments

- Clean balance sheet strategy – low valuation risk in the balance sheet
- Lower reported loss ratios in the quarter driven by release of 4 MSEK of extra provisioning from 2020.
- Stable PAD credit performance with improved underlying credit quality
- Continued improvement credit performance personal loans

PAD losses in relation to PAD volumes, %

Reported Adjusted* Adjusted rolling 12m*



Loan loss level, personal loans, %

Reported Adjusted* Adjusted rolling 12m*

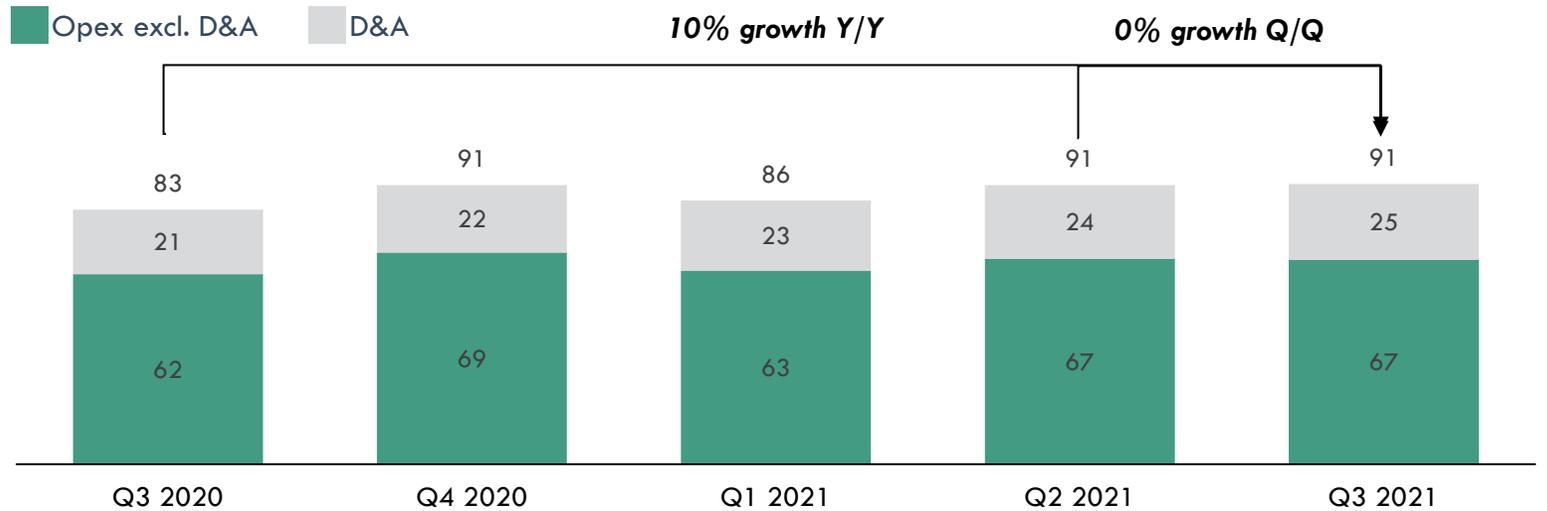


Stable cost level from previous quarter

Comments

- Stable cost level compared to Q2 but cost increase from last year
- Increased cost related to cloud migration, development costs and costs for being listed company
- Increase in D&A due to faster depreciation and somewhat higher investments

Cost development, SEKm

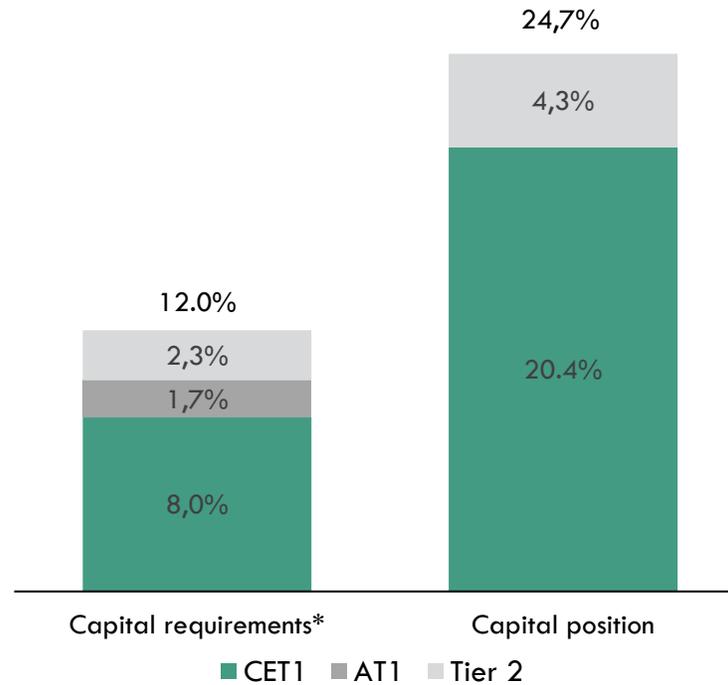


Well capitalised for continued growth

Comments

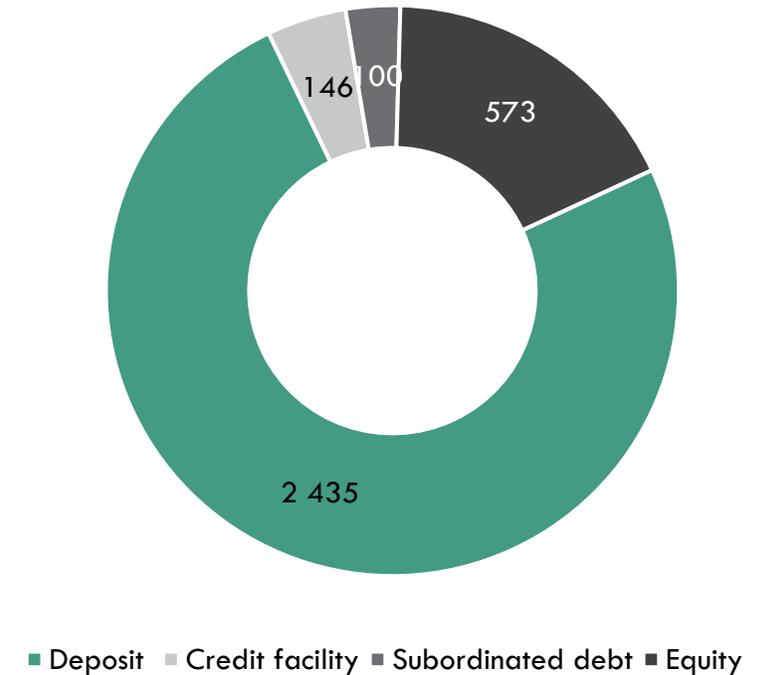
- Stable capital ratios and capital base ~ 280 MSEK larger than total regulatory requirement
- Continued strong liquidity position with LCR at 160%, NSFR at 126% and leverage ratio at 14,3%

Capitalisation, %



Funding split

SEKm



Looking ahead

Growth and efficiency in focus

- ✓ Sign and onboard new merchants including new verticals
- ✓ Explore SME-offering and partnerships within the area
- ✓ Adjusted organization with focus on payments to increase value and efficiency

Q4 report 8th of February



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