QLIRO

Investor presentation

August 2019

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- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
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Target market

Solely for the purposes of the Manufacturer's (as used herein, "**Manufacturer**" refers to the Sole Bookrunner) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties, professional clients and retail clients are appropriate.
Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

PRIIPs regulation

As the Notes are not deemed to fall within the scope of Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**"), no PRIIPs key information document (KID) has been prepared. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Notes.

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Governing law and jurisdiction

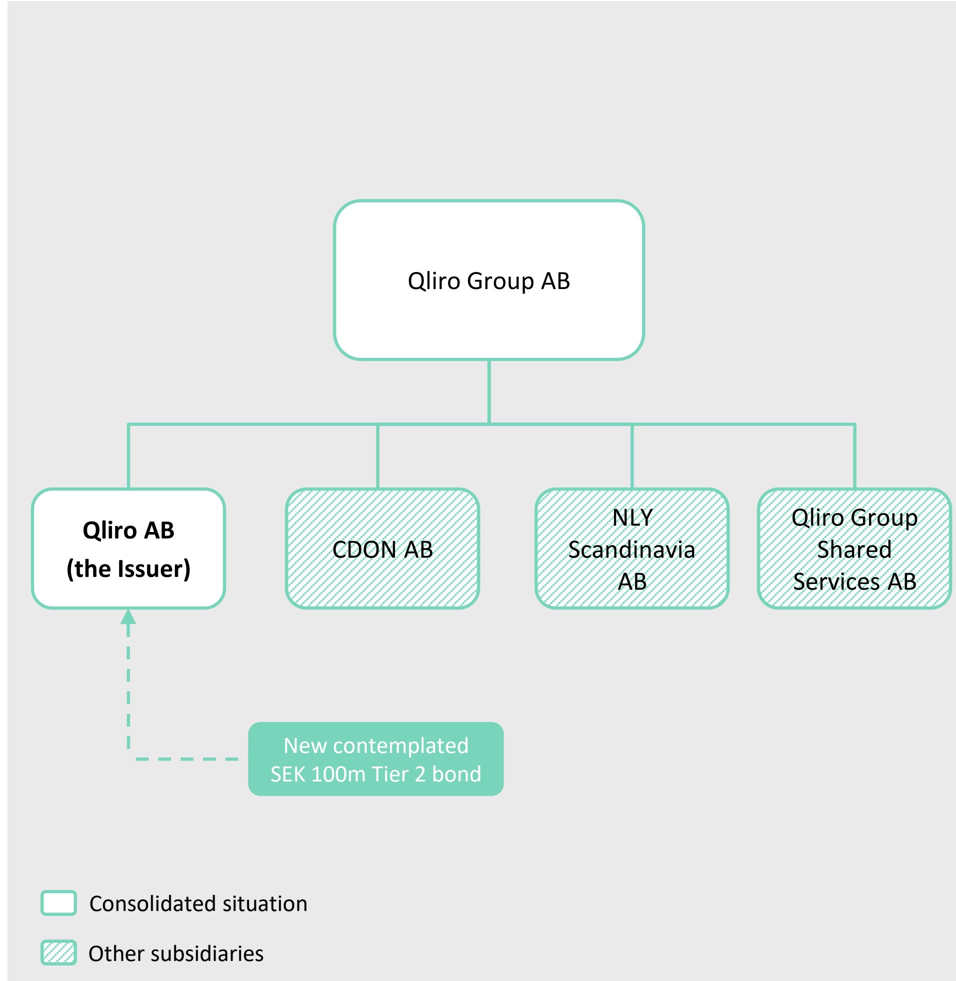
This Presentation is subject to Swedish law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Swedish courts.

Transaction overview

Summary of indicative terms

Issuer	Qliro AB
Instrument	Tier 2 capital (*Swe: supplementärkapital*)
Ranking	Subordinated
Volume	SEK 100,000,000
Denomination	SEK 1,250,000
Tenor	10 years after the issue date
Call structure	Non-call 5 year, thereafter callable on each interest payment date at nominal amount
Coupon	3m Stibor + [•]% p.a., payable quarterly
Use of proceeds	General corporate purposes
Conditional calls	Capital Event and Tax Event, subject to Swedish FSA consent
Listing	Nasdaq Stockholm within sixty (60) days from the issue date
Documentation	Stand-alone documentation – Swedish standard
Agent	Nordic Trustee
Governing Law	Swedish law
Bookrunner	Carnegie Investment Bank

Group structure



QLIRO

Carolina Brandtman

CEO, Qliro AB

• 20 years of experience •

- Most recent experience from Santander Consumer Bank where she held a Managing Director position. Before that, Carolina held a General Manager position, among others, at GE Money Bank

Mikael Antonsson

COO and Acting CFO, Qliro AB

• 8 years of experience •

- Previous positions at Qliro including Head of Business Control & Analytics. Before that, Mikael was Engagement Manager at McKinsey & Co

AGENDA

1. Introduction to Qliro AB
2. Business overview
3. Asset quality, capitalisation, funding and liquidity
4. Financials
5. Appendices
6. Risk factors

Key investment highlights

Proven business model with high level of scalability

- ✓ Able to capture significant volumes with a sophisticated technical platform as well as a strong merchant and consumer offering
- ✓ Low customer acquisition costs with clear cross-selling opportunities from Sales Finance to Personal Loans
- ✓ A well-invested platform and organisation enable Qliro to grow its loan book at a high rate while scaling on its cost base
- ✓ Strong merchant relationships based on high level of integration and customisation of the check-out

Solid loan book characteristics

- ✓ Operations across the Nordic region with income from two complementary business areas, Sales Financing and Personal Loans
- ✓ Significant growth of the loan book, demonstrating a CAGR of ~70% since Q1 2015, with the ambition to continue to grow without materially changing the risk profile of the loan portfolio
- ✓ Average Personal Loan borrower is ~40 years old, permanently employed and has an annual income exceeding SEK 350,000

Data-driven credit scoring to keep losses at a minimum

- ✓ Automated data-driven credit decision model based on machine learning with a comprehensive database built on more than 19 million transactions and an aggregated lending of SEK 18 billion
- ✓ Loan origination through own channels, without the use of loan brokers, where more than 95% of the Personal Loan borrowers are existing Qliro customers and have a performance and data track-record

Diversified funding platform

- ✓ Diversified funding model with well-matched FX profile comprising of government-backed SEK deposits and a multi-currency credit facility for funding in other currencies
- ✓ Solid capitalisation with access to equity capital in current ownership model as well as on a stand-alone basis
- ✓ Ambition to further diversify the funding base through the debt capital markets with the contemplated Tier 2 bond issue

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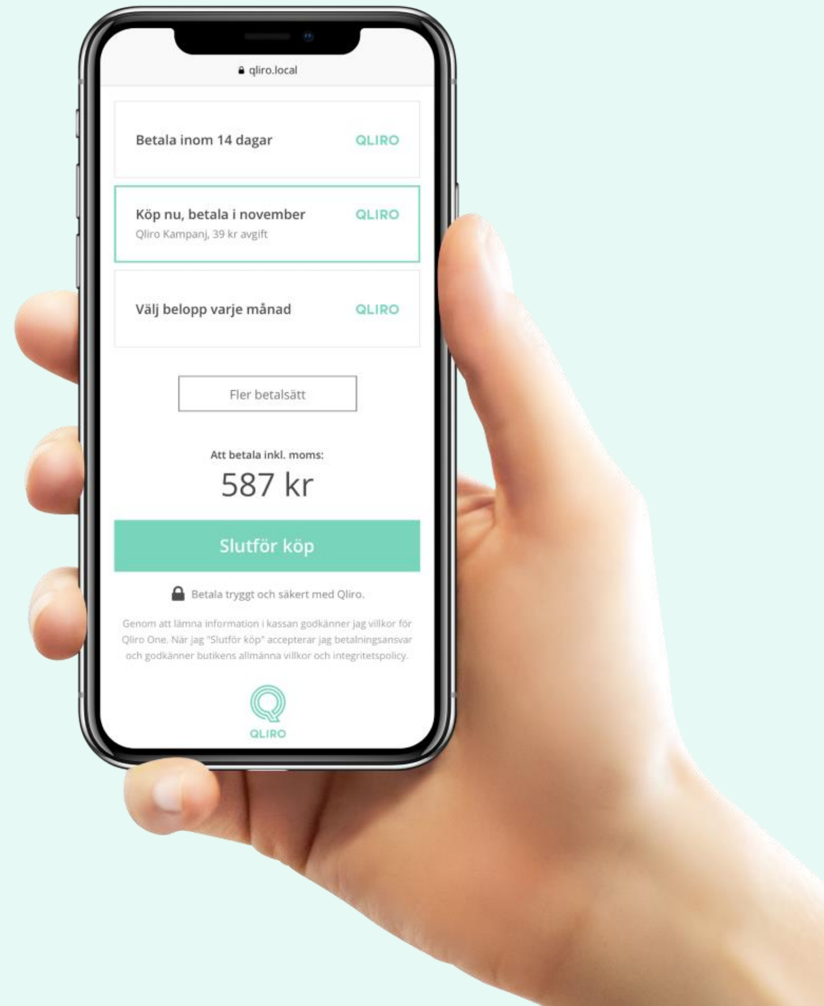
1. Introduction to Qliro AB



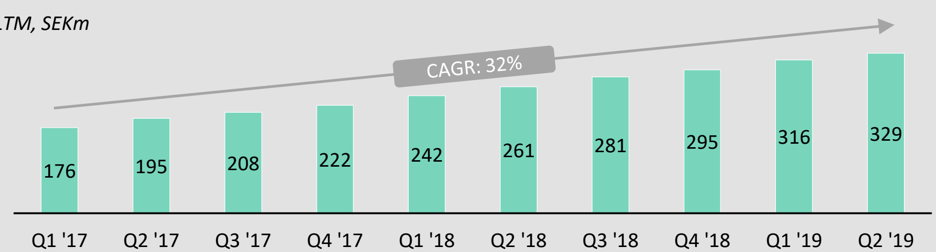
Brief overview of Qliro AB

Qliro at a glance

- Qliro AB ("Qliro") simplifies online payments by offering financial services for e-merchants and consumers across the Nordic countries
- E-merchants are offered a comprehensive sales check-out solution which effectively transfers the credit and fraud risk from the merchant and drives conversion rates while providing the merchants with an additional income stream
- Consumers can pay safely with Qliro as intermediary and are offered the most popular form of payment methods. Consumers are also offered personal loans and savings accounts via Qliro's platform in Sweden
- Qliro AB is a credit market company under the supervision of the Swedish Financial Supervisory Authority ("SFSA") and must comply with a comprehensive regulatory framework

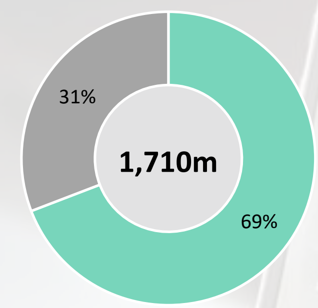
Sales Financing | Personal Loans | Savings Account

Significant growth in total income[3,4)]

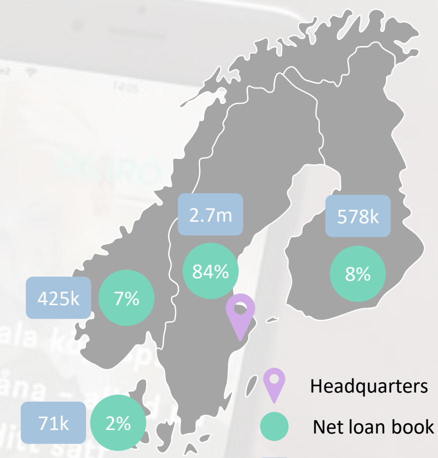


Qliro in numbers

Net loan book[1)] by business area



Net loan book and unique customers



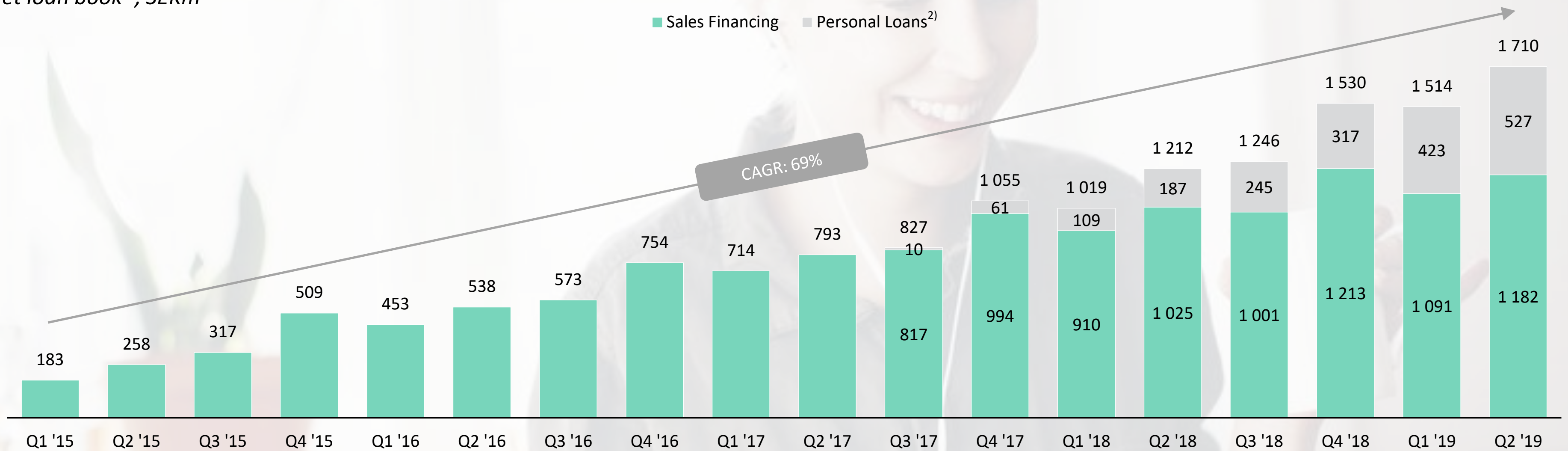
Q2 2019, LTM

Number of transactions **>5.3 million**	Customers in the Nordic **>2.2 million**	Business volume[5)] **SEK 5,153m**
Net loan book[1)] **SEK 1,710m**	Net loan book CAGR[6)] **69.2%**	Deposits **SEK 1,165m**
Total income **SEK 329m**	Realised credit loss rate **1.7%**	CET1 ratio **17.5%**

Source: Company information. LTM where applicable.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) Adds up to 101% due to rounding. 3) Total income = net interest income + net fee and commission income + other income. 4) LTM from Q1 2017 shown due to change in reporting standards following Qliro becoming a credit market company in March 2017. 5) Business volume is only applicable for Sales Financing. 6) Calculated from Q1 2015 to Q2 2019.

Qliro has grown ~70% per annum during the last four years

Net loan book[1], SEKm



2015

- After a successful launch in Sweden in 2014, payment solutions was introduced in Finland and Denmark

2016

- Investment phase with focus on product development to strengthen and broaden the offering to merchants and consumers

2017

- Qliro becomes a credit market company
- Launch of savings accounts and personal loans in Sweden
- Roll-out of payment solutions in Norway

2018

- Focus on gaining market share and increasing partnership network
- Significant growth in business volume, loan book and total income

2019

- Partnership with several new external merchants[3]
- Continued ramp-up of personal loans
- Well invested to scale on its cost base

Source: Company information.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) Personal Loans were introduced in Q3 2017. 3) External merchants are defined as merchants not part of Qliro Group by the end of Q2 2019.

Key focus areas going forward

Key initiatives

- Continue to strengthen the core offering in existing markets, no new product launches in unfamiliar business segments or geographic markets anticipated
- Focus on growing the loan book primarily through origination via own channels without materially increasing the risk of the loan portfolio
- Strategy to actively approach larger merchants with substantial existing business volumes to broaden the partnership network
- Scale on the well-invested technical platform and organisation to drive profitability

Independent entity

Focus on becoming a **separate independent entity**

Growth

Focus on growing the loan book at a **well-balanced risk**

Profitability

Scale on the existing cost base to drive profitability

Merchant network

Continue to **expand and diversify** the partnership network by attracting new **external merchants**

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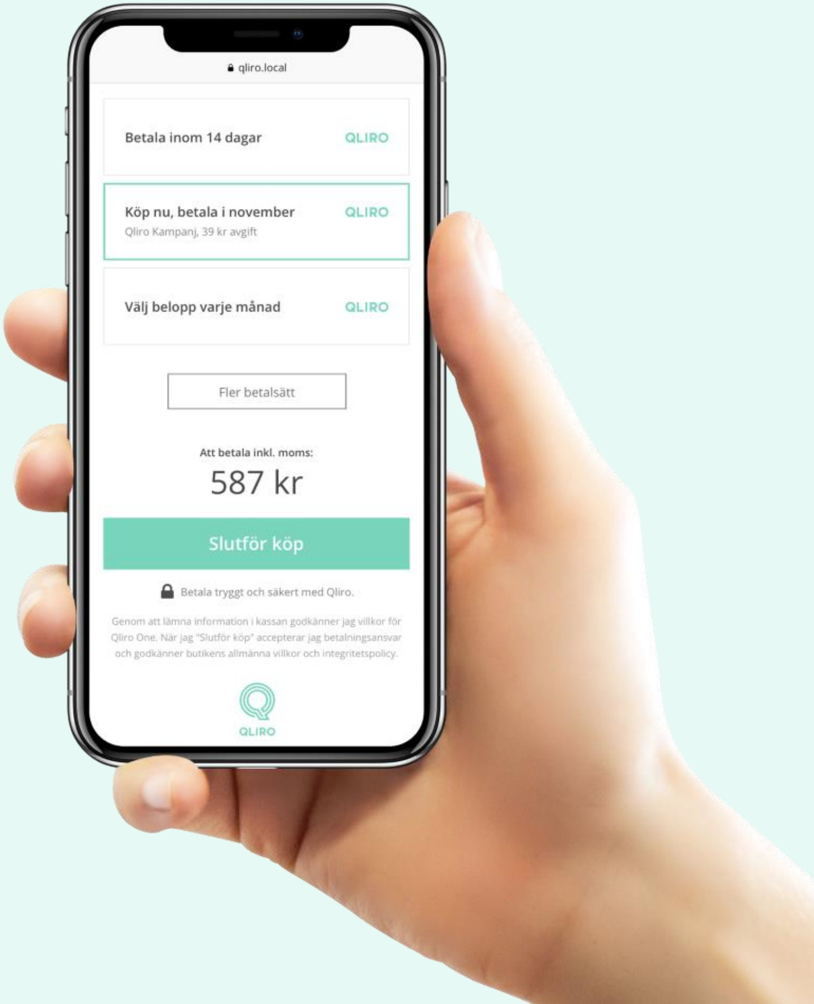
2. Business overview



Two complementary business areas

Sales Financing

- E-merchants are offered a comprehensive check-out comprising various payments solutions such as invoice, part payment, credit card and direct bank payments
- Consumer transactions from merchants generate credits, such as instalment payments and part payments, yielding interest income
- Furthermore, fees are generated from credit card, bank transfers and other direct payment methods
- Launched the Sales Financing business in 2014 and currently offers its services in Sweden, Norway, Denmark and Finland. As of Q2 2019, receivables from Sales Financing amounted to SEK 1,182m, or 69% of the loan book

Business volume[1)]
SEK 5,153m

Number of transactions[1)]
>5.3m

Average shopping basket[1)]
SEK 969

Personal Loans

- Unsecured consumer loans and government-backed savings accounts are offered to individuals in Sweden
- Primarily marketed through own channels where more than 95% of borrowers have an existing relationship with Qliro and most apply through the Qliro app
- Launched the Personal Loans business in 2017 and as of Q2 2019, consumer loans amounted to SEK 527m and account for 31% of the loan book

Amount
Up to SEK 500,000[3)]

Tenor
Up to 15 years

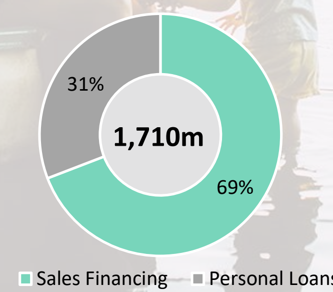
Interest rate
3.95-13.95%

Product offering by geography

Sales Financing	●	●	●	●
Personal Loans	●	○	○	○
Savings Accounts	●	○	○	○

Net loan book[2)] by product

SEK



Source: Company information, LTM where applicable.
Notes: 1) Calculated for LTM Q2 2019. 2) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 3) Limit for sole borrowers is SEK 350,000 and co-borrowers is SEK 500,000.

Sales Financing overview – Proven business model that provides value for all parties

Overview of Qliro's Sales Financing model

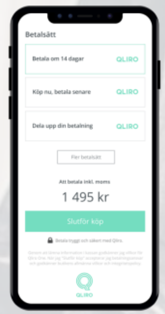
	1 Value for merchants		2 Value for Qliro		3 Value for consumers
✓	Customised check-out	✓	Low customer acquisition cost	✓	Enhanced shopping experience
✓	Increases conversion rates and profitability	✓	Interest on receivables and arrangers fees	✓	Payment flexibility and options
✓	Mitigates credit and fraud risk	✓	Cross-selling opportunities	✓	Secure purchase
✓	Long-term revenue stream	✓	Data collection	✓	"One click purchase"

Sales Financing | Personal Loans

A highly integrated e-commerce partnership with merchants enables a customised check-out

Qliro One – A well developed platform

- Qliro One remembers the customer across devices and their preferred payment method, enabling a user-friendly and coherent consumer experience
- The merchant chooses the payment options to be offered to the customer
- Shipping seamlessly integrated into the payment flow to simplify the check-out



Offering all popular payment methods

Qliro's products	Product specification
Invoice	14 days from purchase to payment
Part payment	Pay in 3, 6, 12, 24 or 36 months
Campaigns "buy now pay later"	Payment due date up to 90 days
Account	Flexible long-term payment from SEK 50/month
+ Standard products	Qliro, Trustly, PayPal, debit/credit card

Competitive edge

- ✓ **Customised check-out solutions** with focus on meeting the merchant's specific needs in reaching customers and achieve high conversion rates
- ✓ **Deeply integrated e-commerce partnership** with merchants where Qliro advise merchants on e.g. best practices and market trends
- ✓ **In-house high-quality customer service** trained on each specific merchant and their respective products and consumer types

Parfym.se
Darko Draskovic, CEO

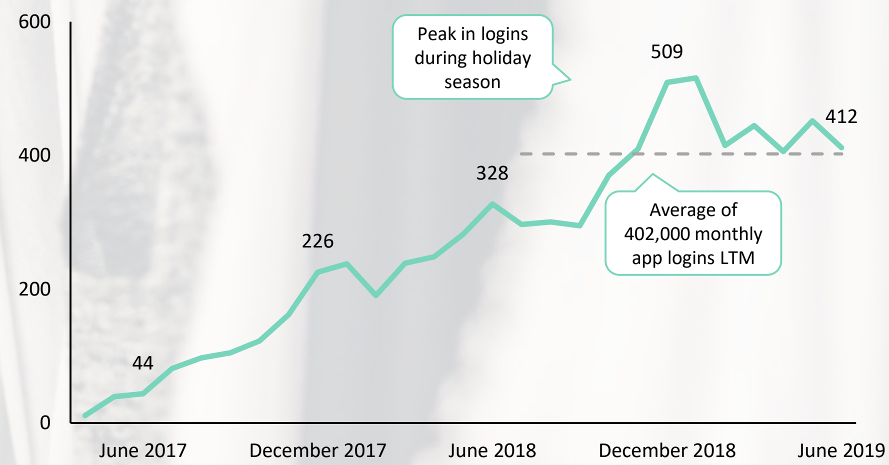
*"With Qliro we **improved** our **conversion** significantly and our profitability with more than 2 percent."*

LYKO
Rickard Lyko, CEO

*"Qliro is a **flexible** and **responsive** partner who helps us improve our **customer journey** as well as **our profitability**."*

Averaging more than 400,000 monthly app logins LTM

Number of app logins per month (x1,000)



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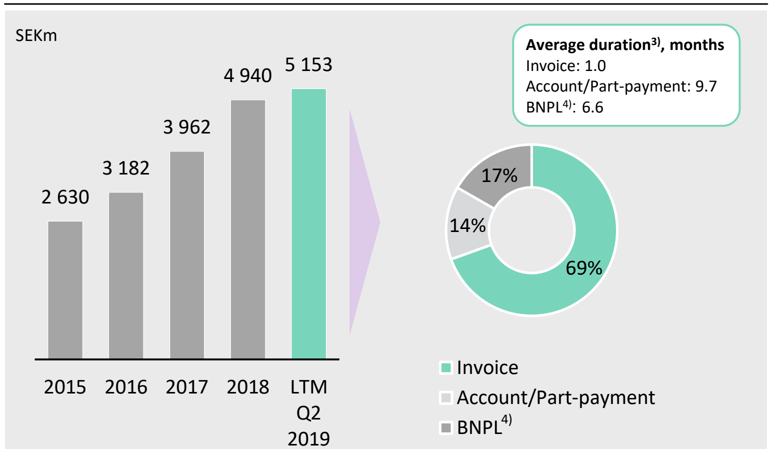
Source: Company information.

Steady growth in business volumes drives loan book expansion and ultimately interest income generation

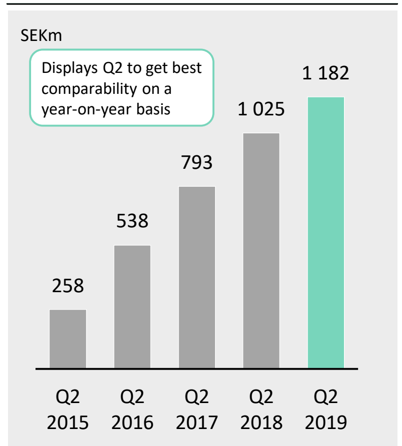
Sales Financing development

- The Sales Financing business segment continues to bring new merchants to the platform which adds business volume and increases the loan book, resulting in higher interest income and better margins
- Business volumes demonstrate exceptional development due to a strong underlying growth in the e-commerce market. Business volume has increased from SEK 2,630m in 2015 to SEK 5,153m as of LTM Q2 2019
- Following the strong growth in business volume over the past 5-years, total income from Sales Financing loans has seen an accelerated growth from SEK 111m in 2015 to SEK 302m in Q2 2019

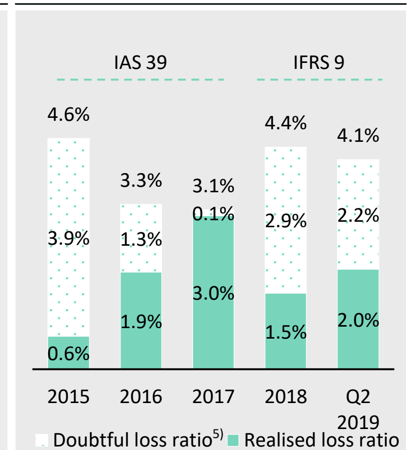
Business volume



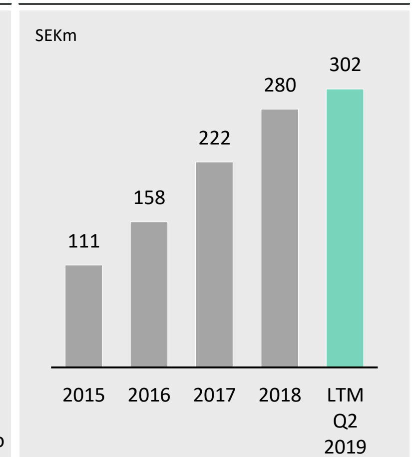
Sales Financing net loan book[1)]



Credit loss ratio



Total income[2)]



Source: Company information.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) Total income = net interest income + net fee and commission income + other income. 3) The numbers are based on historical performance. 4) BNPL: "Buy Now Pay Later". 5) In accordance with IFRS 9 from 2018.

Highly integrated relationship with merchants

Increasing number of merchants

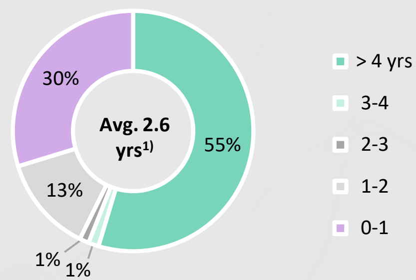
- Strategy to actively approach larger merchants with substantial existing business volumes
- As of Q2 2019, 17 new merchants have been signed but are yet to be live
- Additional business volume of more than SEK 1.5bn is expected from new merchants

Number of merchants

Long contract duration

- Typically 2-3 years contract length which are generally extended for 1-2 years if not cancelled
- More than 50% of the volume has a remaining contract length exceeding 4 years
- 2.6 years[1)] in average remaining contract length of the total merchant portfolio

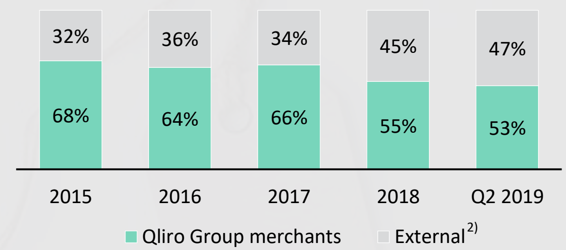
Contract duration



Less dependency on the Qliro Group

- Key initiative to broaden its merchant network and decrease the dependence on group-internal merchants
- Approximately half of the business volume is currently derived from external merchants

Distribution of internal and external merchants



Selected partners

BANGERHEAD EXPERTS IN BEAUTY | BEST of BRANDS | CAMPADRE | Designtorget | GYMGROSSISTEN.com | inkClub | LYKO | Parfym.se | SkånskaByggvaror | tretti | WhiteAway | eleven | NORDICFEEL | SoffaDirekt Följ din känsla

Source: Company information.
Notes: 1) Volume weighted average, LTM Q2 2019. 2) External merchants are defined as merchants not part of Qliro Group by the end of Q2 2019.

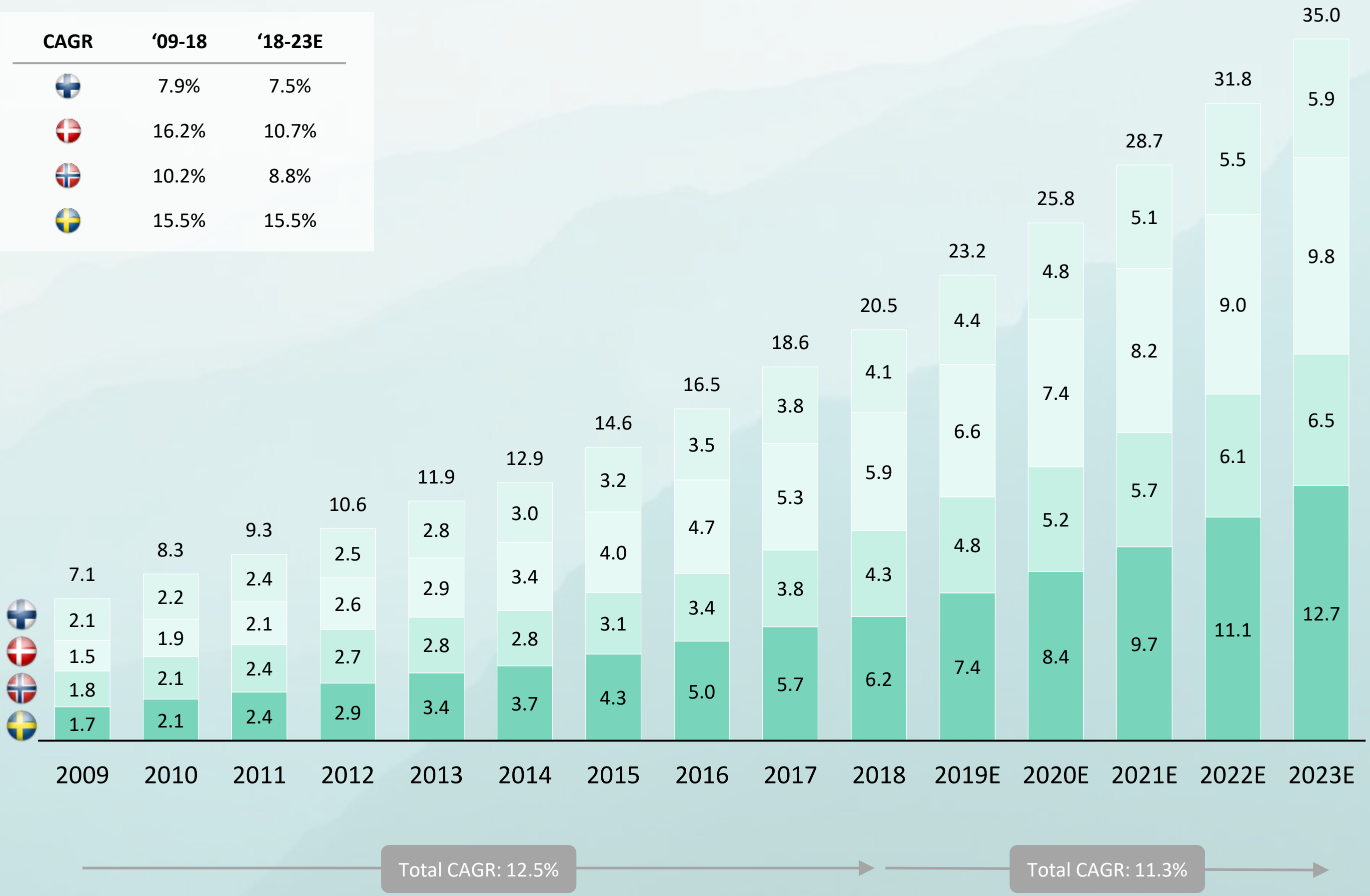
Sales Financing | Personal Loans

Well positioned to continue benefitting from the underlying market growth of e-commerce

Rapid growth of e-commerce in all of Qliro's markets

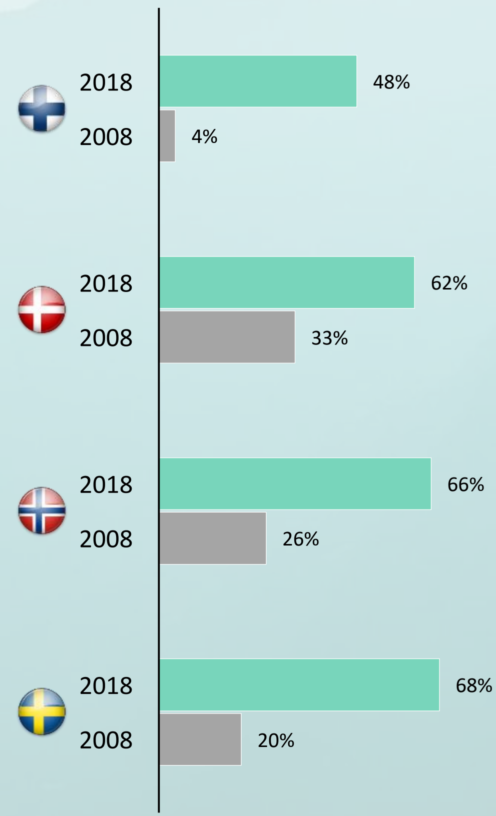
Internet retailing[1], EURbn

CAGR	'09-18	'18-23E
	7.9%	7.5%
	16.2%	10.7%
	10.2%	8.8%
	15.5%	15.5%



High % of the Nordic population uses e-commerce services

Percentage of population using e-commerce services



QLIRO

Source: Euromonitor – Retailing store and internet Europe 2004-2023, Postnord – E-handel i Norden.
Note: 1) Retail value, retail sales price excl. sales tax.

Personal Loans overview – Significant ramp-up in consumer loans since launch in 2017

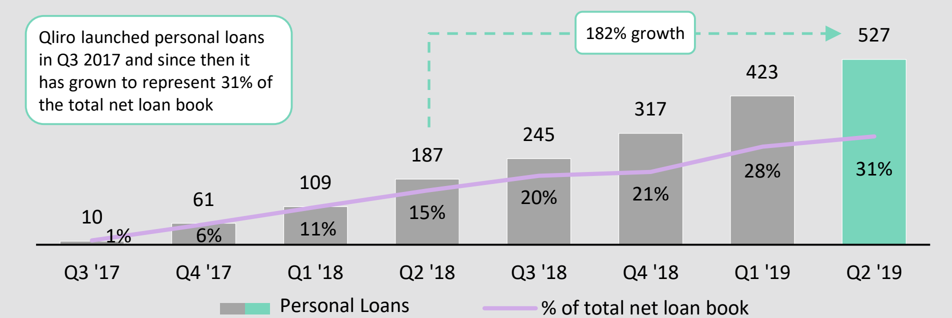
A strong complement to Sales Financing

- ✓ Cross-selling opportunities for Personal Loans from Sales Financing volumes
- ✓ Loans are originated through own channels with no use of loan brokers
- ✓ More than 95% of the Personal Loan borrowers have used Qliro's services before and hence have a payment history
- ✓ The Personal Loan business supplements the loan book with larger lending tickets with longer durations. The loan book yields on average 8%

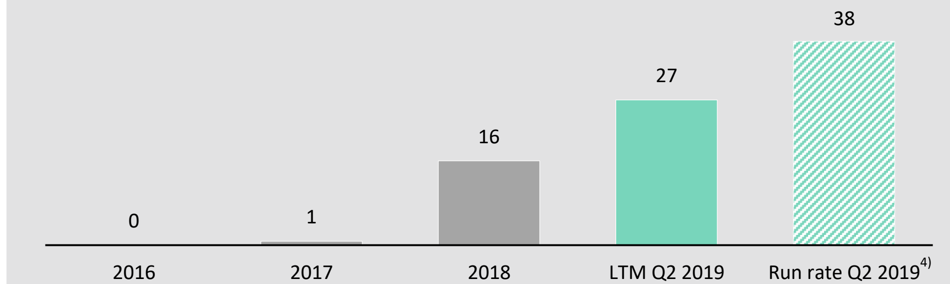
Product offering

Loan size	SEK 20,000-500,000[1)]
Tenor	2-15 years
Interest rate	3.95-13.95%
Fixed monthly income requirement	Yes
Payment remark allowed	No

Net loan book[2)]



Total income[3)]



Personal Loans contributes with SEK 27m of total income and accounts for 31% of the total net loan book

QLIRO

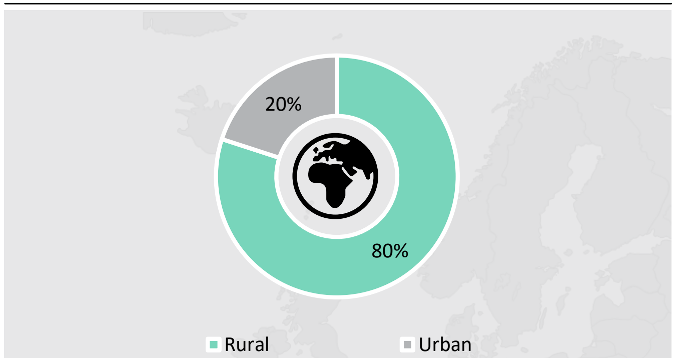
Source: Company information.
Notes: 1) Limit for sole borrowers is SEK 350,000 and co-borrowers is SEK 500,000. 2) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 3) Total income = net interest income + net fee and commission income + other income. 4) Calculated as total income for Q2 2019 x 4.

Solid loan book characteristics

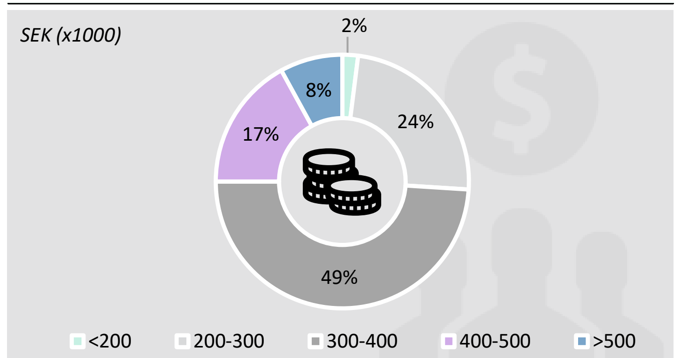
Average borrower characteristics[1)]

Age 39 years old	**Annual income** SEK ~360,000	**Employment** Permanent job
Loan size SEK ~76,000	**Duration**[2)] ~8.7 years	**Interest rate** ~8.0% p.a.
Social status Married or cohabitee	**Geography** Rural	**Reason** Debt consolidation

Geographic split



Annual income



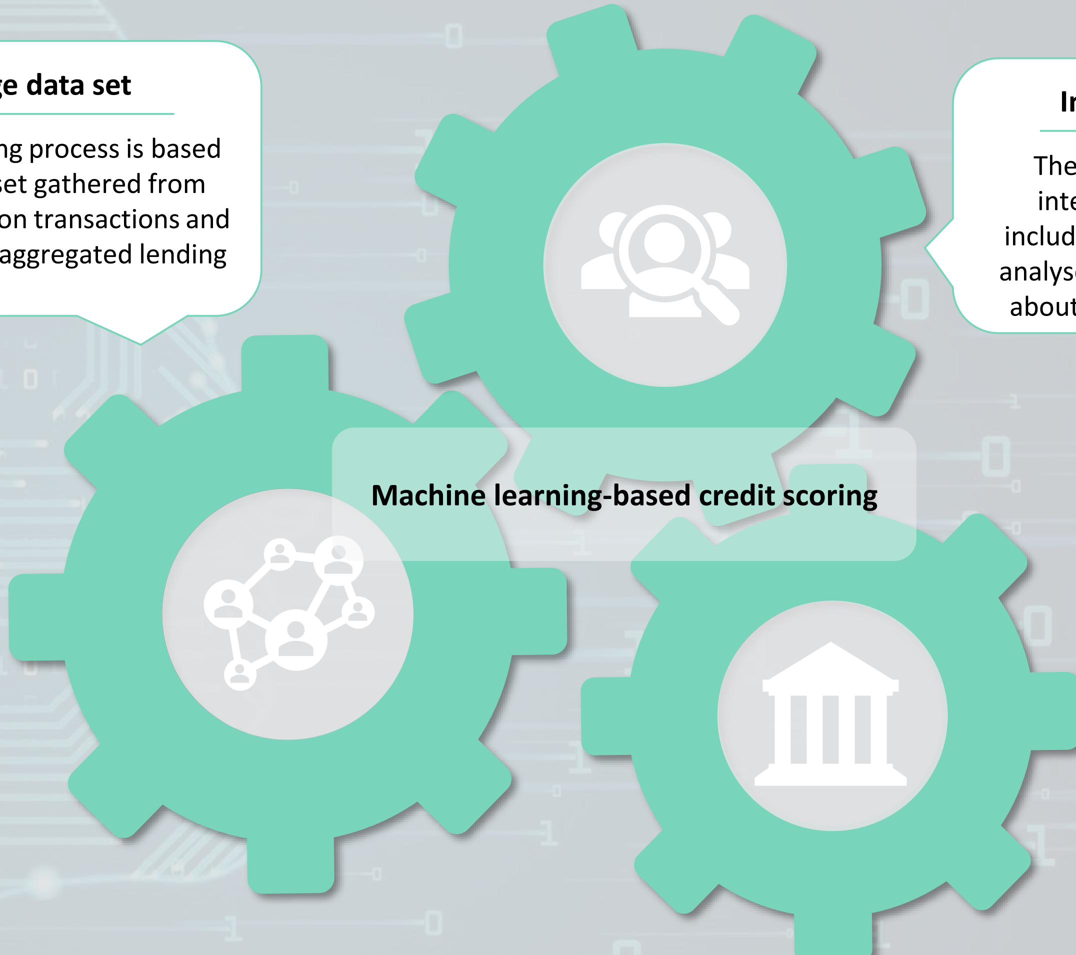
Source: Company information.
Notes: 1) Average borrower characteristics based on the loan book per June 30, 2019. 2) Contractual.

The credit scoring model – a data driven approach

Automated data-driven scoring model with real-time analysis of both internal and external data to assess the credit risk

Large data set

Credit scoring process is based on a data set gathered from over 19 million transactions and SEK 18bn in aggregated lending



Individual insight

The applicants previous interactions with Qliro, including payment history, is analysed to understand more about the applicant at hand

External sources

The credit analysis process is complemented with traditional external credit bureau data

Source: Company information.

Experienced management team and board of directors

Management team

Carolina Brandtman
CEO

Previous experience: Managing Director at Santander Consumer Bank, General Manager at GE Money Bank
Education: BA&E, Örebro Uni. and Central Queensland Uni.

Mikael Antonsson
COO and Acting CFO

Previous experience: Head of Business Control & Analytics at Qliro, Engagement Manager at McKinsey & Co
Education: MSc. Finance, GU, MSc. Engineering Physics, CTH

Ann Ekroth
Chief Risk Officer

Previous experience: Compliance Director, Non-Financial Risk and Governance Director Nordic and Acting Chief Risk Officer at Santander Consumer Bank
Education: BSc in BA&E, Uppsala Uni.

Robert Stambro
Incoming CFO

Previous experience: Head of Financial Planning & Analysis, Head of Treasury, Head of Business Control and Acting CFO at Nordnet
Education: MSc in International Business, Luleå Uni.

Harald Walden
Chief Technology Officer

Previous experience: Co-Founder of Qliro, Head of Product, Director Social Platforms and Director Payments at Stardoll
Education: MSc in Computer Science, Mälardalen Uni.

Lina Agrell
General Counsel

Previous experience: Senior Legal Counsel at Nordea Bank AB, Lawyer/Senior Associate at Wistrand advokatbyrå and Deputy Attorney at Bird & Bird Advokatbyrå
Education: BSc in law, Stockholm Uni.

David Lundqvist
Chief Commercial Officer

Previous experience: SVP Technical Sales, VP Global Commercial Efficiency & Excellence and Director Global Sales Concept at Klarna
Education: Upper Secondary School, Norra real

Jonas Adolfsson
Chief Credit Officer

Previous experience: Head of Decision Science and Analytics and Head of Business Control and Analytics at Qliro
Education: MSc in Econometrics and Quantitative Economics, Linköping Uni.

Martina Skande
Chief Product and Marketing Officer and Business Development Officer

Previous experience: Business transformer Director at Santander Consumer Bank
Education: International Finance, Lund Uni.

Johanna Blom
HR Director

Previous experience: Interim HR Manager and Coach at Bloom HR and Coaching, HR Director – Sweden at Santander Consumer Bank
Education: MSc in Work psychology, Linköping Uni.

Mari Åström
Chief Compliance Officer

Previous experience: Nordic general Legal Counsel at 4finance, General Legal Counsel at EnterCard and Legal Adviser at The Swedish Playwriter's Union
Education: Law at Stockholm Uni.

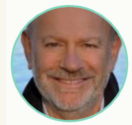
Board of directors

Lennart Jacobsen
Chairman of the board

Chairman since 2018, member since 2017
Experience: EVP and Head of Retail Banking of Nordea and CEO of GE Money Bank Nordics
Education: M.Sc. in electric engineering, KTH

Robert Burén
Director of the board

Member since 2018
Experience: Consultant and Co-founder of Cygni, CTO of Unibet and CIO of Bisnode and SBAB
Education: Computer Science and Technology, KTH



Lennart Francke
Director of the board

Member since 2016
Experience: CFO and Chief Credit Officer of Handelsbanken, Head of Group finance at Swedbank and member of the board of SBAB
Education: M.B.A, SSE

Johan Wigh
Director of the board

Member since 2016
Experience: Partner at Törngren Magnell, CEO of East Capital AB and East Capital Asset Management
Education: Master of Laws, Uppsala Uni.

Helena Nelson
Director of the board

Member since 2015
Experience: General Counsel of Carnegie Investment Bank AB, Group legal counsel of Skandia and CCO of Swedbank
Education: Master of Laws, Lund Uni.

Andreas Bernström
Director of the board

Member since 2018
Experience: Investment Director of Kinnevik, Founder and CEO of Sinch, CEO of Rebtel and Chairman at Trustly
Education: B.A. Manchester Uni. M.A in finance, Webster Uni.

Marcus Lindqvist
Director of the board

Member since 2016
Experience: CEO at Qliro Group AB, Country Manager at Dustin, Country Manager & Sales Director of HP and Channel Director Nordics of Dell
Education: Associate BA, FEI

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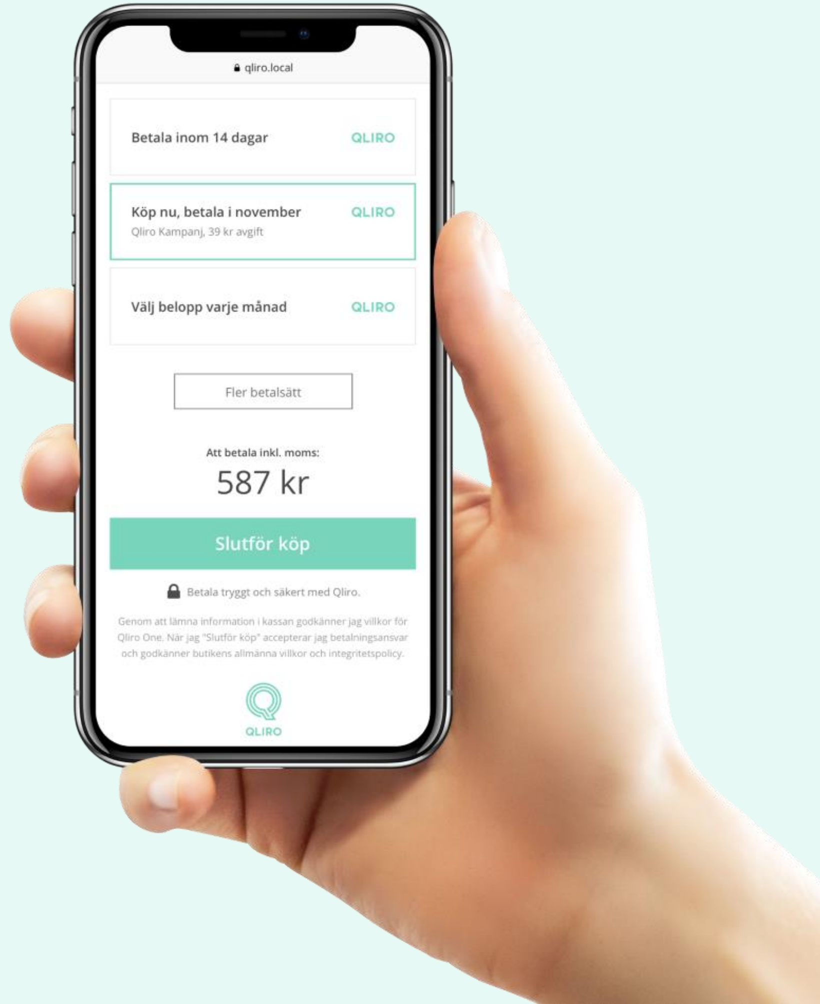
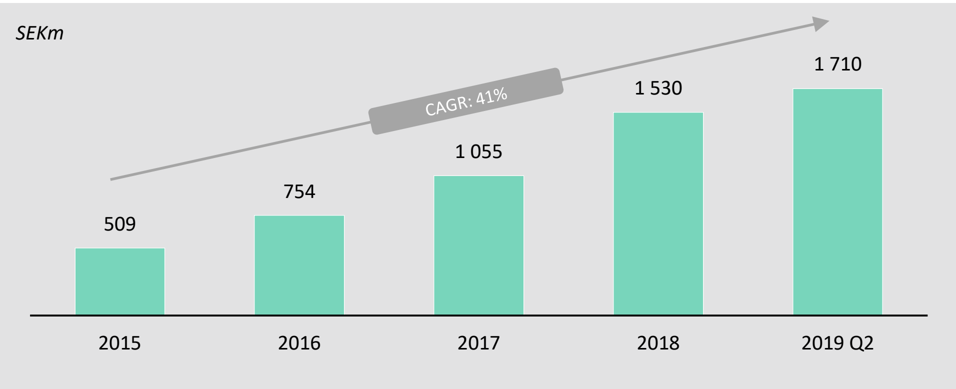
3. Asset quality, capitalisation, funding and liquidity

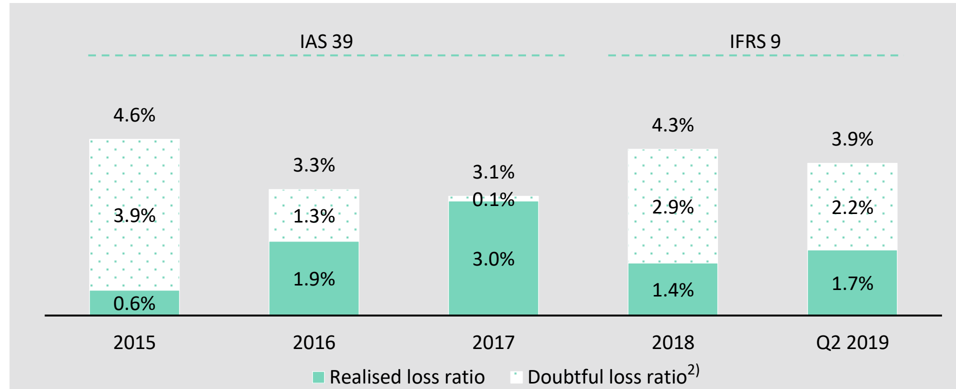


High asset quality

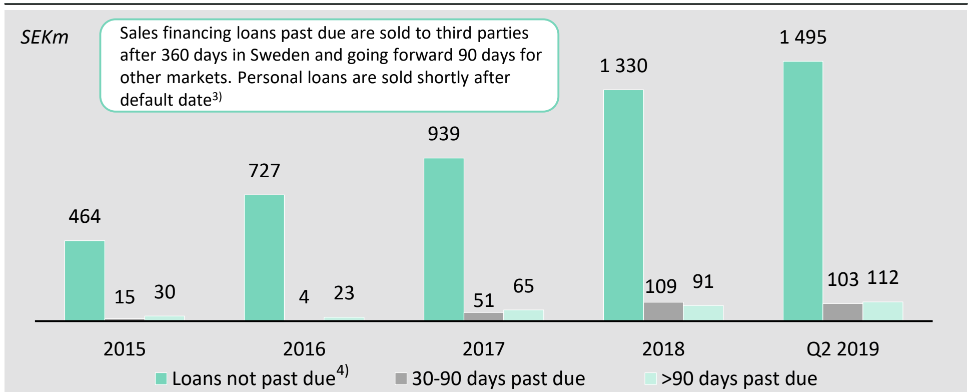
Growth of net loan book[1)]



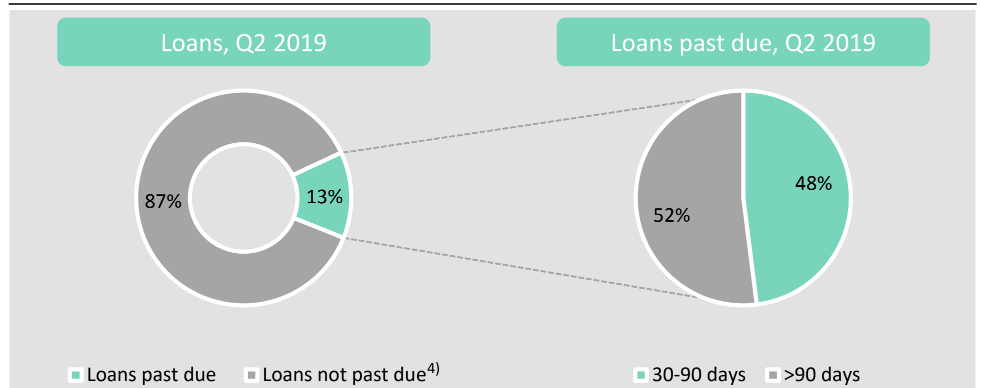
Credit loss ratio



Loan performance



Portfolio risk exposure



Qliro has seen significant growth in the loan portfolio over the past +4 years and simultaneously decreased the credit loss ratio significantly

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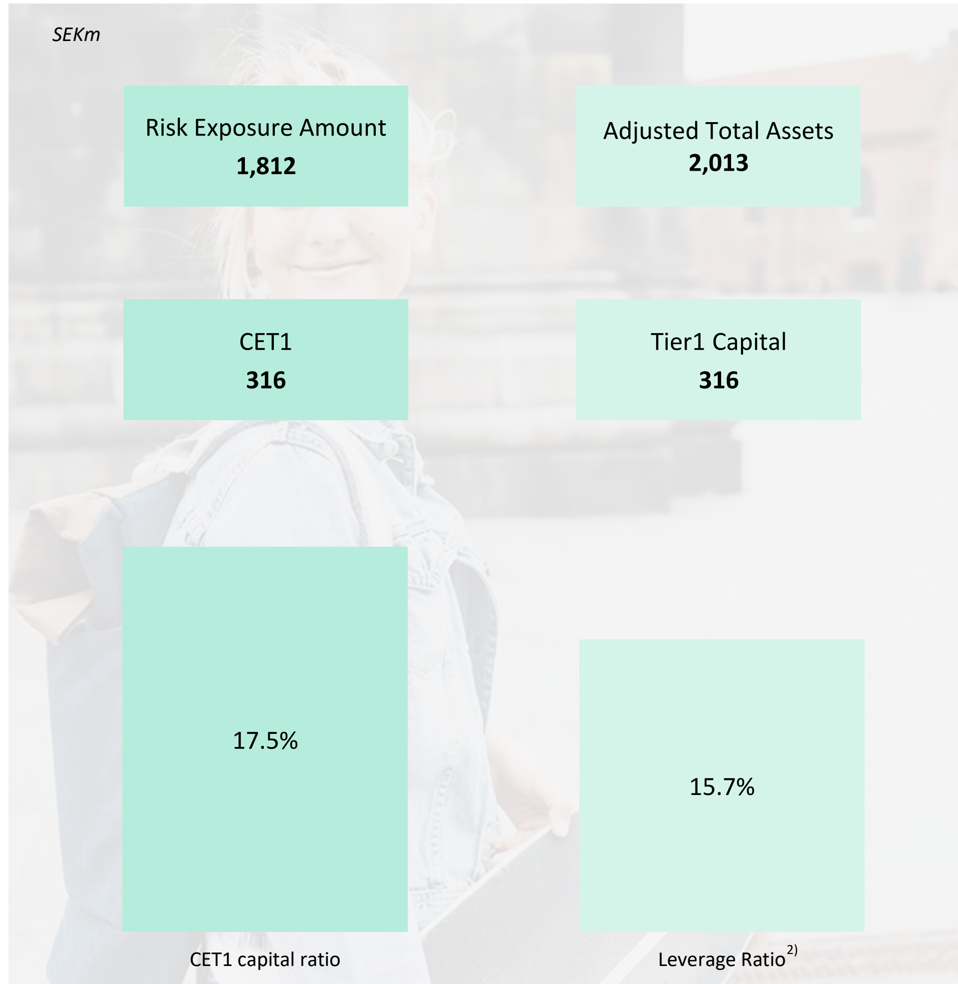
Source: Company information.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) In accordance with IFRS 9 from 2018. 3) In Sweden sales financing loans are kept for 360 in order to gather repayment data 4) Includes loans less than 30 days past due.

Strong capital position – Qliro AB

Regulatory capitalisation (as of Q2 2019)

SEKm	Qliro AB	Consolidated situation[1)]
Own funds		
Common Equity Tier 1 capital	316	620
Total own funds	**316**	**620**
Risk exposure		
Credit risk	1,371	1,645
Market risk	9	-
Operational risk	432	464
Total Risk Exposure Amount	**1,812**	**2,109**
Capital ratios		
Common Equity Tier 1 ratio	*17.5%*	*29.4%*
Total capital ratio	*17.5%*	*29.4%*

Overview of Qliro AB's capital position



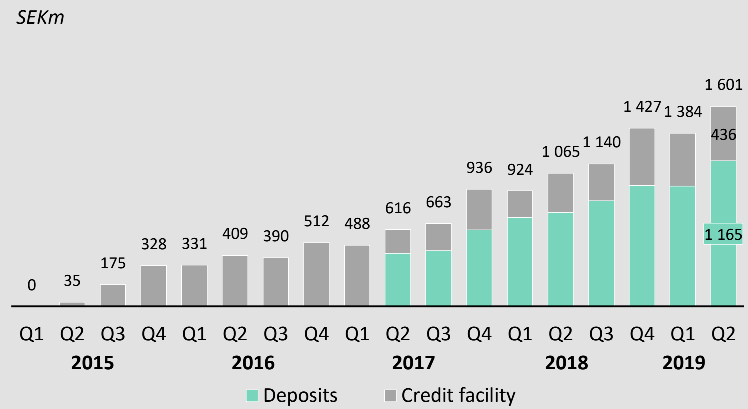
Source: Company information.
Notes: 1) Includes Qliro AB and the parent company Qliro Group AB. 2) Defined as Tier1 capital/Adjusted Total Assets according to Capital Requirement Regulation (CRR) article 429.

Diversified funding structure with well-matched FX profile

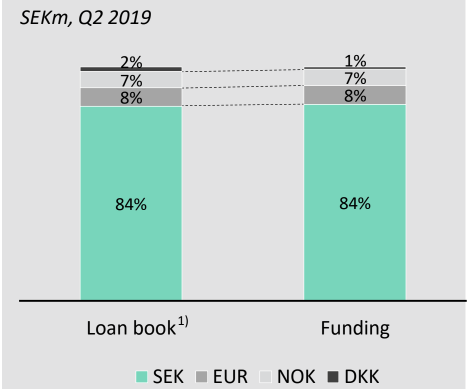
Overview

- Qliro has a diversified capital structure with funding from both government-backed deposits and a multicurrency credit facility in addition to equity
- In addition to SEK funding, the credit facility is utilised for funding in other Nordic currencies such as EUR, DKK and NOK
- Qliro's liquidity as percentage of the total loan portfolio is 15% in Q2 2019 and Qliro has a strong Liquidity Coverage Ratio of 536%

Well-balanced funding…



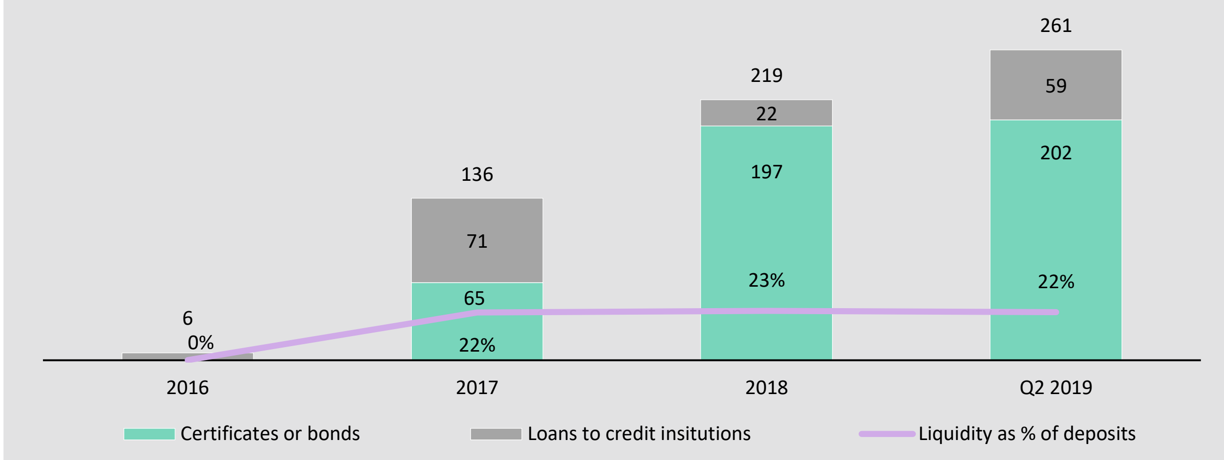
…with matching FX-exposure



Liquidity

SEKm	30 June 2018	30 June 2019
Certificates or bonds	165	202
Loans to credit institutions	7	59
Total liquidity	**173**	**261**
LCR[2)]	650%	536%
Total liquidity/deposits from general public	23%	22%
Available liquidity from undrawn amount under the credit facility	356	338

Liquidity development



Source: Company information.

Note: 1) The graph adds up to 101% due to rounding. 2) Liquidity Coverage Ratio (LCR) is calculated as the liquidity reserve divided by net outflow over a 30 day period during distressed market conditions.

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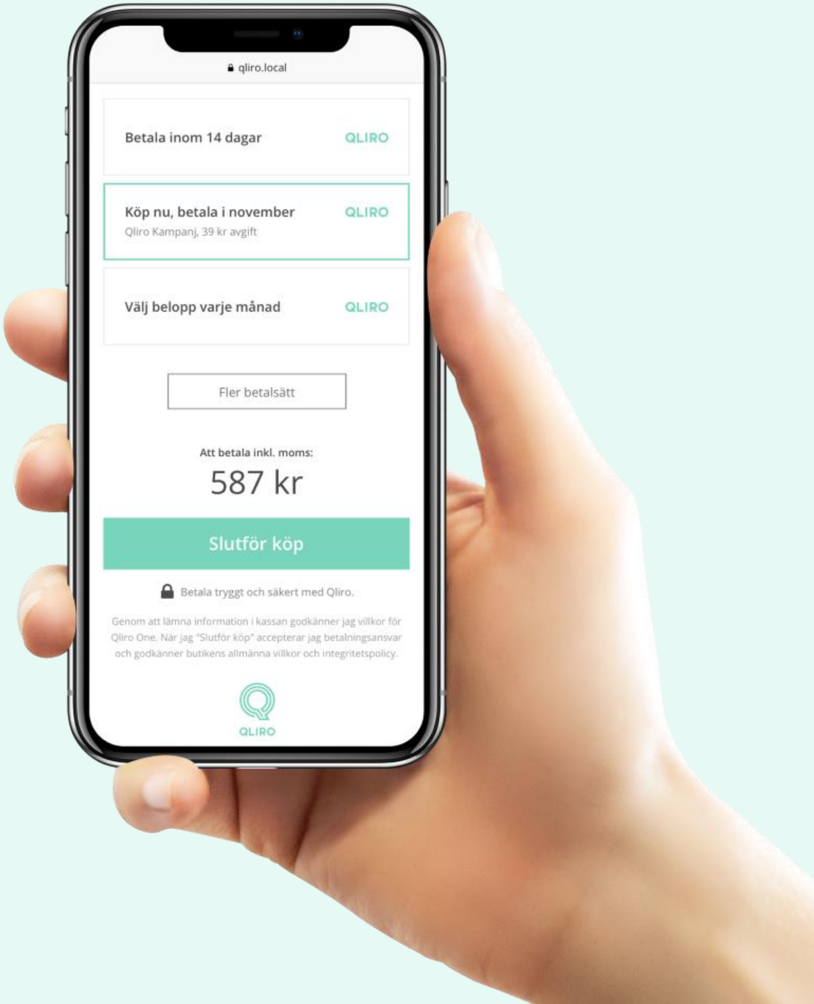
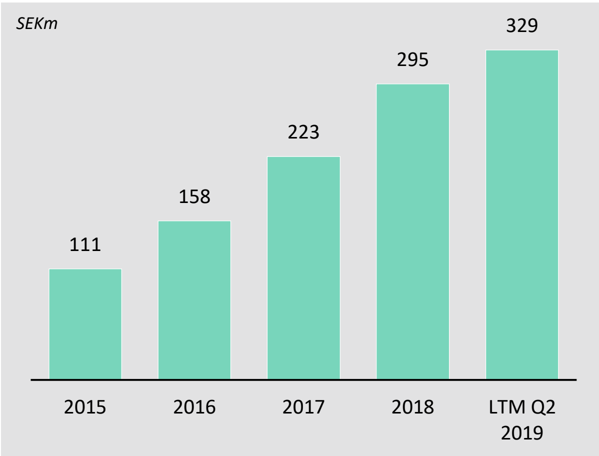
4. Financials



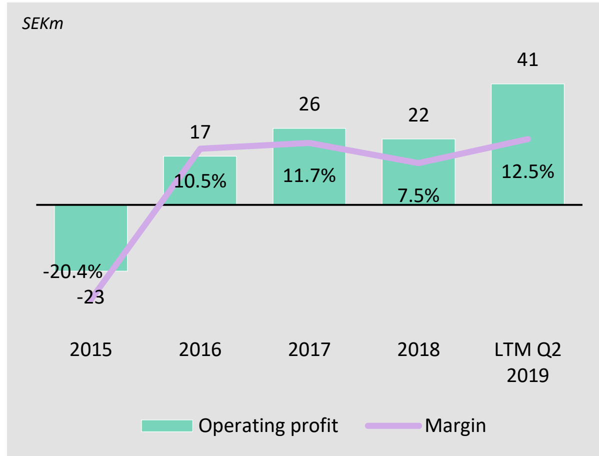
Financial snapshot – Considerable year-on-year loan book growth with improving profitability

Income and profitability

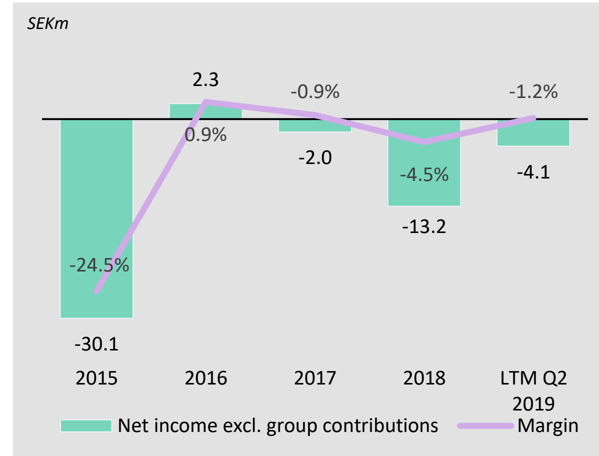
Total income[1)]



Operating profit before tax and D&A

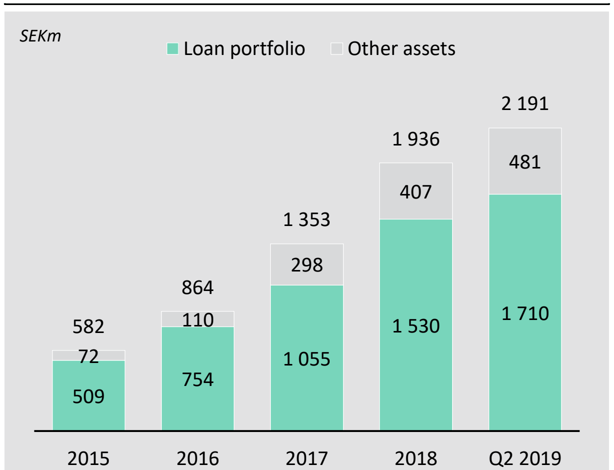


Net income excl. group contributions

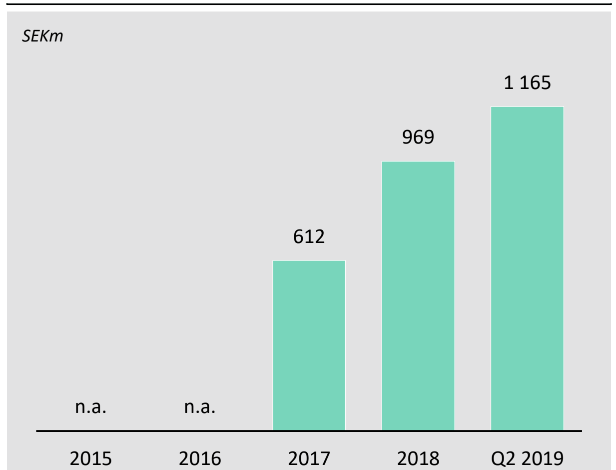


Loan portfolio and assets

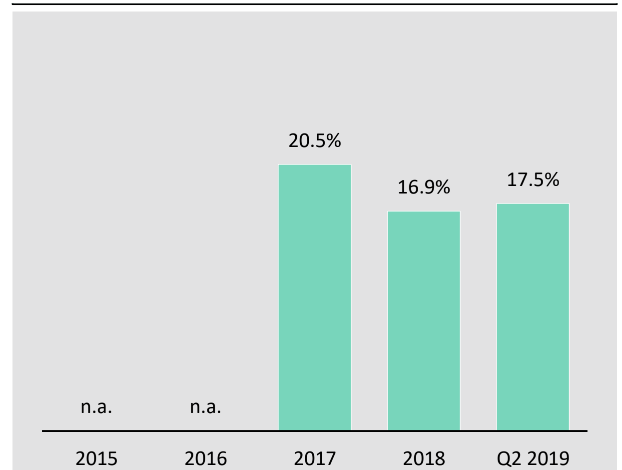
Total assets and net loan book[2)]



Total deposits



CET1 ratio[3)]



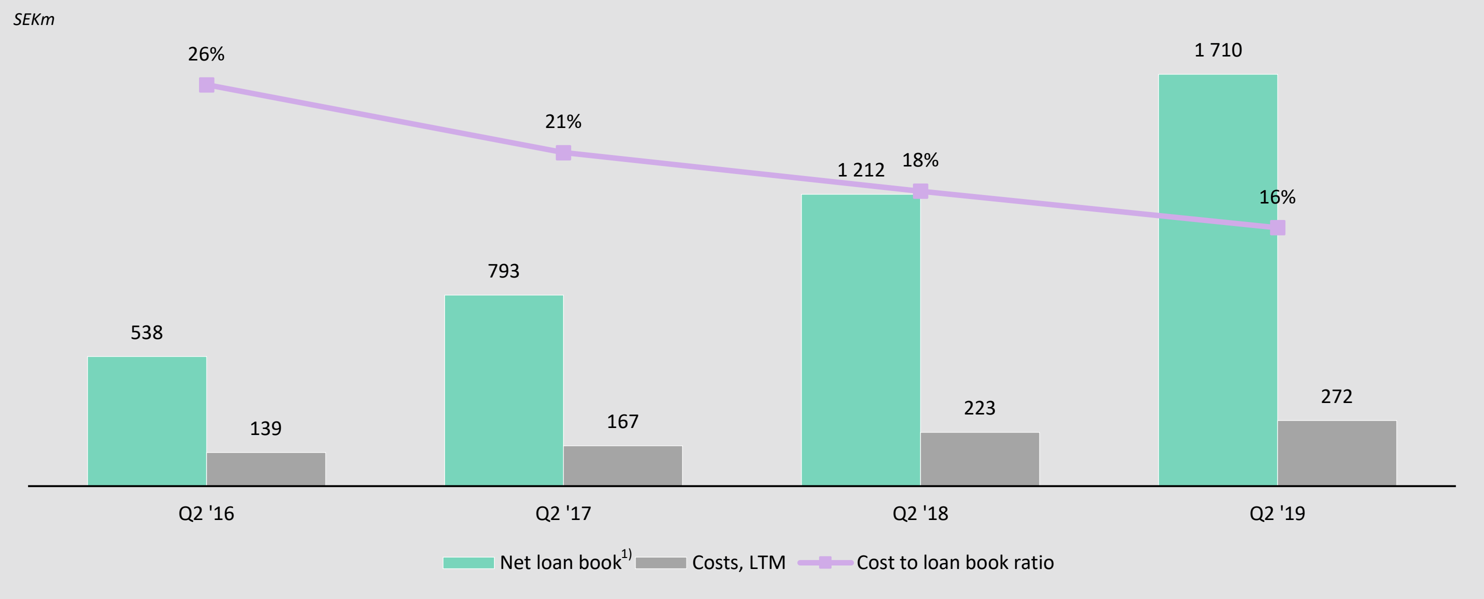
QLIRO

Source: Company information.

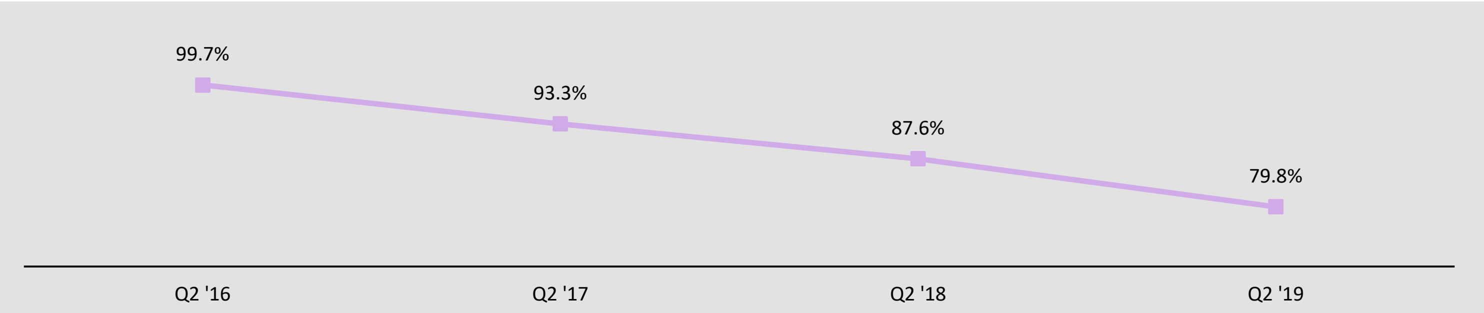
Notes: 1) Total income = net interest income + net fee and commission income + other income. 2) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 3) Defined as CET1/Total Risk Exposed Amount.

Well-positioned to scale on the existing cost base

Net loan book[1] and costs development[2]



Quarterly cost to income ratio development[2,3]



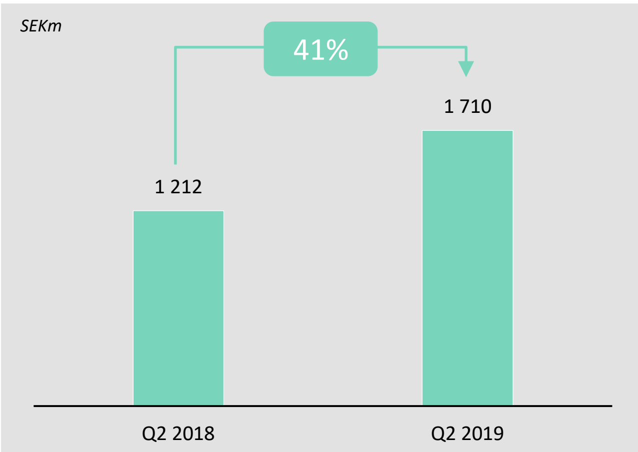
Comments

- Substantial investments in the organisation and technical platform the last years to prepare the business for further growth
- Qliro is now well-positioned to cost-efficiently expand its loan book considerably
- The stable year-on-year decline in the cost to income ratio underpins the scalability of the business and suggest increasing profitability

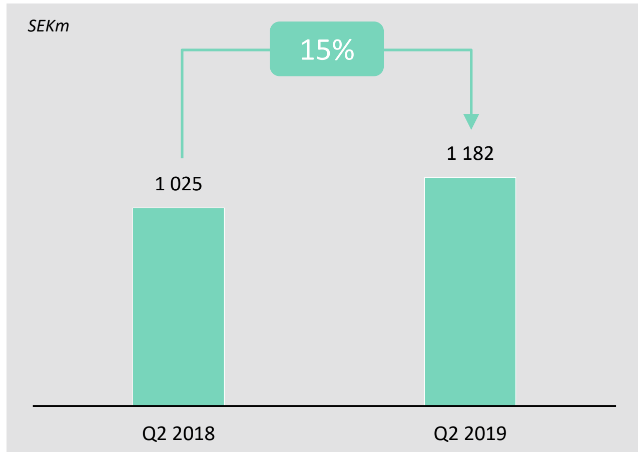
Source: Company information.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) Displays Q-o-Q to get best comparability. 3) Cost to income ratio defined as total operating costs, excluding credit losses and including depreciation and amortisation, divided by total income.

Q2 update – Total income grew by 21% while opex by 10%, highlighting the scalability of the business

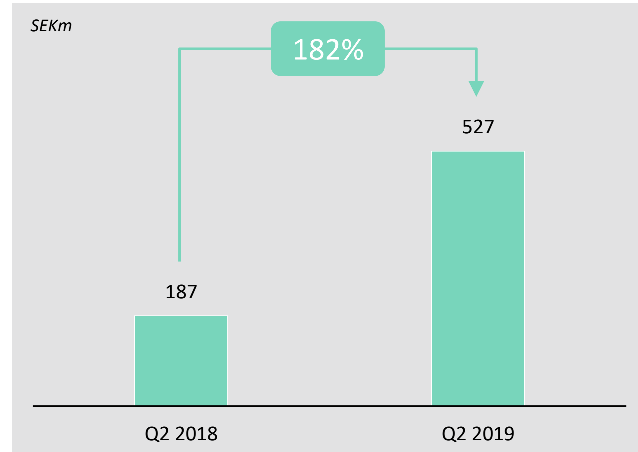
Net loan book[1)]



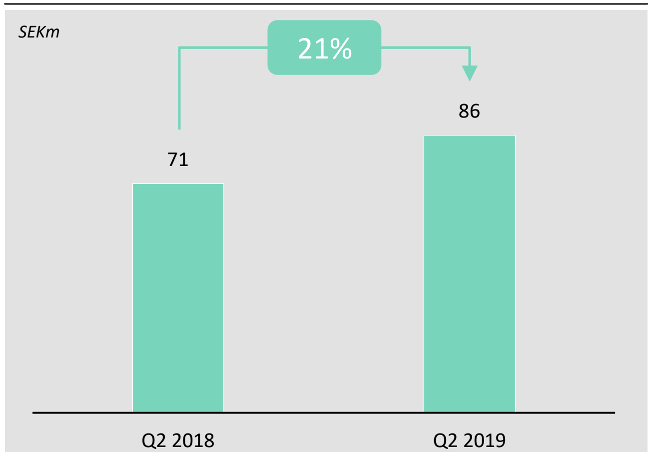
Sales Financing loan book



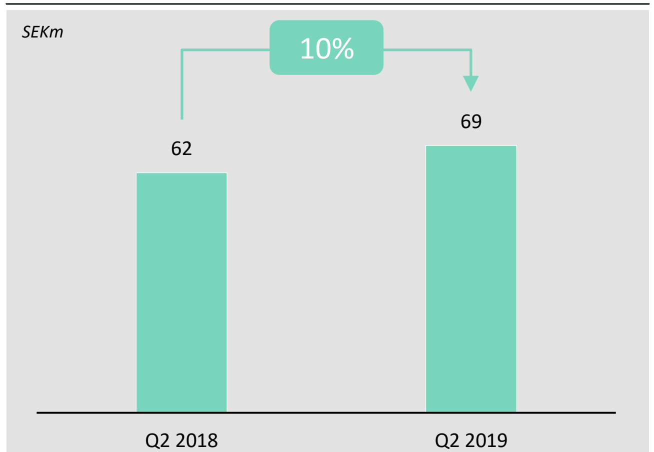
Personal Loans loan book



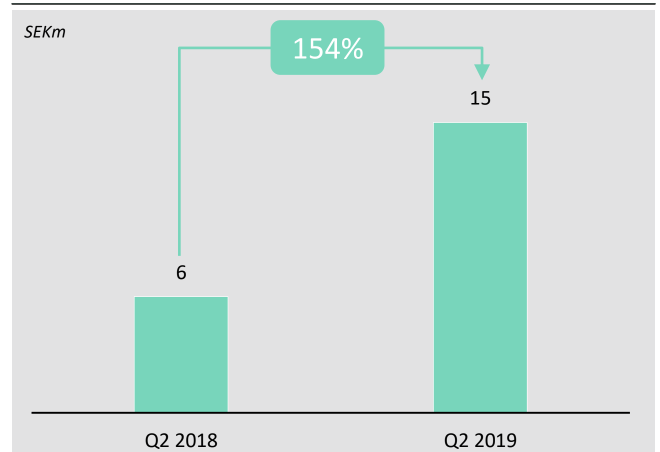
Total income[2)]



Total operating expenses[3)]



Operating profit before taxes and D&A



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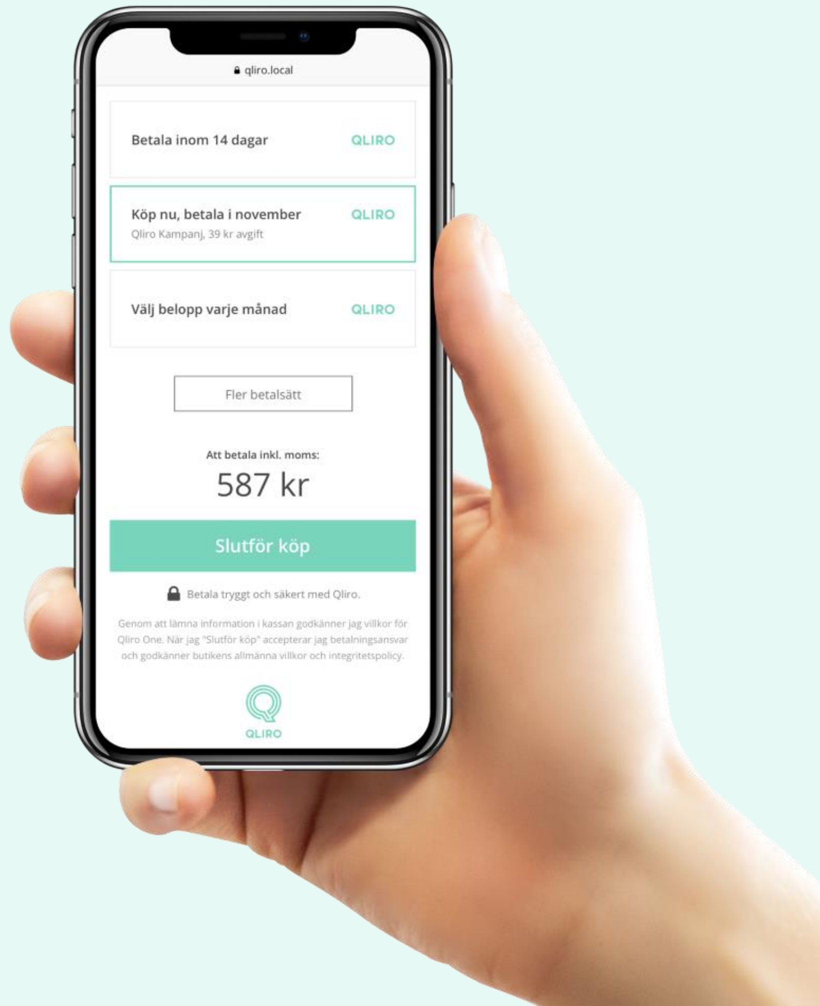
Source: Company information.
Notes: 1) Net reserves for doubtful credit losses in accordance with IFRS 9 from 2018. 2) Total income = net interest income + net fee and commission income + other income. 3) Excluding credit losses and including depreciation and amortisation.

5. Appendices



Income statement

SEKm	2016	2017	2018	LTM Q2 2019
Interest income	147	220	281	310
Interest cost	-8	-17	-17	-22
Net interest income	**139**	**203**	**263**	**288**
Commission income	10	8	11	18
Commission costs	-3	-1	0	-3
Net result from financial transactions	0	0	0	0
Other income	12	12	21	26
Total income	**158**	**222**	**295**	**329**
Administrative cost	-120	-167	-213	-217
Depreciation & amortisation	-14	-28	-38	-46
Other expenses	-1	-2	-3	-9
Operating expenses	**-136**	**-197**	**-254**	**-272**
Profit before credit losses	**23**	**26**	**41**	**57**
Net credit loss	-20	-28	-57	-62
Operating profit/EBT	**2**	**-2**	**-17**	**-5**
Given group contributions	-2	-	-	-
Received group contributions	-	2	-	-
Tax	0	0	3	1
Profit after tax	**0**	**0**	**-13**	**-4**

Source: Company information.

Balance sheet

SEKm	31 Dec 2016	31 Dec 2017	31 Dec 2018	30 Jun 2019
Cash and balance to central bank	-	40	65	55
Loans to credit institutions	6	71	22	59
Net loans to customers	754	1,055	1,530	1,710
Certificates and bonds	-	25	132	147
Intangible assets	86	130	150	169
Tangible assets	9	12	14	20
Deferred tax assets	-	-	8	8
Other assets	4	14	9	6
Prepaid expenses and accrued income	4	6	7	17
Total assets	**864**	**1,353**	**1,936**	**2,191**
Liabilities to credit institutions	512	325	458	436
Deposits from customers	-	612	968	1,165
Other liabilities	35	48	69	62
Accrued expenses and prepaid income	16	23	28	32
Total liabilities	**562**	**1,007**	**1,523**	**1,695**
Share capital	50	50	50	50
Fund for development expenses	32	69	87	87
Retained earnings	220	226	289	357
Reserves	0	0	0	0
Profit for the year	0	0	-13	2
Total equity	**301**	**345**	**413**	**496**
Total equity and liabilities	**864**	**1,353**	**1,936**	**2,191**

Source: Company information.

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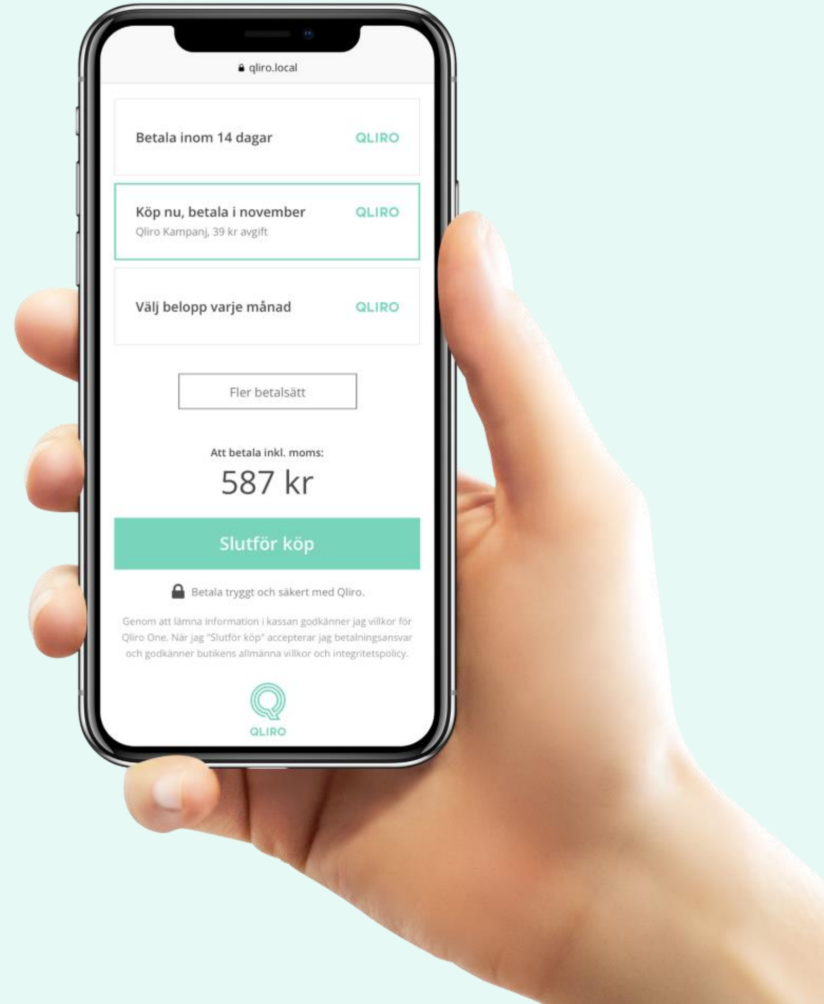
6. Risk factors



Risk factors

Background

This document has been prepared by Qliro AB, reg. no. 556962-2441, ("Qliro" or the "Issuer") in relation to its contemplated issue of unsecured subordinated tier 2 capital notes denominated in SEK (the "Notes"). A number of risks may, if they are materialized, have a material adverse effect on Qliro including its business, operating results and/or financial position. These risk factors could therefore have a material adverse effect on Qliro's ability to meet its obligations under the terms and conditions of the Notes (the "Terms and Conditions"), including repayment of the principal amount and payment of interest, and the market price of the Notes may decline. This presentation describes risks which are specific to Qliro and the Notes and which Qliro considers to be material when making an investment decision in relation to the Notes. The most material risk factor in a category, based on Qliro's assessment of the probability of the risk's occurrence and the expected magnitude of its adverse impact, is presented first in that category. Additional risks that are not currently known to Qliro, or which Qliro currently deems immaterial, could also have corresponding adverse effects. The presentation does not claim to be exhaustive as it is not possible to foresee and describe in detail all potential risk factors. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Notes. This presentation of risk factors should be read in conjunction with the 2018 annual report of Qliro's parent company Qliro Group AB, reg. no. 556035-6940, ("Qliro Group") which includes important information about Qliro and its operations, operating results and financial position. The statements in these risk factors are made as at August 19, 2019.

RISK FACTORS RELATED TO QLIRO

RISKS RELATED TO OLIRO'S FINANCIAL SITUATION

Risks related to credit exposure

Credit risk is the risk that Qliro's counterparties would be unable, or unwilling, to fulfill their financial obligations in relation to Qliro as they fall due and that, as a result thereof, Qliro would suffer financial losses. Qliro is subject to credit risk primarily from defaulting or fraudulent consumers using Qliro's services, but also to some extent from defaulting merchants (e-retailers) and financial institutions with which Qliro cooperates. Qliro is exposed to credit risk in relation to merchants offering Qliro's payment solutions to their customers, as the merchants may be unable to handle customer returns due to, inter alia, bankruptcy. Since Qliro guarantees customer returns in relation to the customer, Qliro may, as a result of such failure by the merchant, be left with outstanding payments in relation to the merchant. Qliro is also exposed to credit risks in its liquidity management which is managed through investments in financial instruments, such as interest-bearing securities and government securities.

During 2018, Qliro had credit losses net of MSEK 57.3, which can be compared to Qliro's net lending to the public of MSEK 1,530 as of December 31, 2018. Also, during 2018, Qliro's credit loss reserves increased from MSEK 31.2 to MSEK 94.7, whereof MSEK 23.5 of the increase was an effect of the transition to IFRS 9 on 1 January 2018. Qliro uses a data-driven model for credit assessments of consumers and collects specific data in relation thereto. Since there are differences between the countries in which Qliro operates in relation to applicable rules and regulations, accessibility to credit information and differences in consumer behavior, the credit assessment model varies between such countries. Predicting the credit risk is generally more difficult in countries where the amount and quality of available information is lower. Failure by Qliro to accurately assess the credit risk of its counterparties could lead to increased credit losses, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risks related to interest rate

Qliro is subject to interest rate fluctuations. Interest rate fluctuations could affect Qliro's lending and deposit spread, and could result in a change in fair value, cash flow and fluctuations in Qliro's profit. Qliro is exposed to changes in the spread between the interest rates payable by it on deposits or its other sources of funding and the interest rates that it charges to customers to whom it has granted loans. Interest rates are sensitive to a number of factors outside of Qliro's control, such as monetary policies, national and international political affairs and shifts in the market. There is a risk that Qliro will not be able or that it would negatively affect Qliro if it were to pass on interest rate increases to its customers.

As of June 30, 2019, Qliro's net lending to the public amounted to MSEK 1,710. The lending was financed by MSEK 436 via a secured contracted credit facility and MSEK 1,165 through deposits from the public (savings accounts) in Sweden. As of June 30, 2019, the interest rate duration on Qliro's credit facility was one month and Qliro's deposits from the public comprised 48 percent floating interest rate and 52 percent fixed interest rate with an average duration of 177 days (the fixed interest rate has a maturity of one year, but customers are able to withdraw their deposits before the maturity date against a fee corresponding to the accrued interest). Qliro's total interest costs for the financial year 2018 amounted to MSEK 17.4. Changes in interest rates could have a material adverse effect on Qliro's profit and cash flow, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risk factors

Risks related to currency exposure

Qliro's currency risk arises primarily in connection with recalculation from other currencies to SEK from business conducted abroad and in connection with transactions in foreign currencies. Qliro's functional currency is SEK. Part of Qliro's revenues are generated in EUR, DKK and NOK. Qliro is, as a consequence, exposed to risks when recalculating assets, liabilities, revenues and expenses denominated in other currencies than SEK. Currency risks related to transactions pertain to the exchange rate risk that arise out of the time delay between entering into and settling an agreement. Unfavorable currency exchange rate fluctuations could, as a result of Qliro's currency exposure, have a material adverse effect on Qliro's business, operating results and/or financial position.

RISKS RELATED TO QLIRO'S BUSINESS ACTIVITIES AND THE FINANCIAL SERVICES INDUSTRY

Qliro's business is exposed to operational risks including in relation to organizational structure, human error and information technology

Offering financial services to merchants and consumers in the Nordic region, Qliro is exposed to operational risks primarily related to the organizational structure, human error and information technology ("IT"). As a credit market company operating under the supervision of the Swedish Financial Supervisory Authority (the "SFSA") (Sw. Finansinspektionen), Qliro is required to have a well-developed organization with certain functions such as risk, compliance and credit-granting departments. These functions make up a significant part of Qliro's organization. The size of such functions is independent of the number of transactions that Qliro processes or Qliro's operating results and financial position. As a result, even though it would be desirable or required from a business perspective, Qliro will not be able to significantly down-size its organization without the risk of intervention by the SFSA. Also, while Qliro's merchant development and customer service departments are possible to adjust according to the number of transactions that Qliro processes, Qliro may fail to accurately estimate the size of these departments or fail to staff these departments with suitable personnel. This could lead to Qliro being unable to meet the demands of its counterparties or to personnel making errors, which could cause increased costs or decreased income, which in turn could have a material adverse effect on Qliro's business, operating results and/or financial position.

Qliro's business is to a considerable degree dependent on Qliro's ability to process a large number of transactions efficiently and accurately, as well as tracking and analyzing the performance history of its credits. For merchants using Qliro's payment solutions, the checkout is part of the customer experience and is generally critical to the merchant's conversion rate. Any interruption or failure in Qliro's IT will likely impair Qliro's ability to provide its services, causing direct financial loss and may compromise Qliro's market standing. IT failure or underperformance can further increase Qliro's litigation and regulatory exposure or require Qliro to incur higher administrative costs, including remediation costs. Such failure or underperformance may lead to Qliro incurring costs and may compromise Qliro's market standing, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Qliro relies on a limited number of merchants, some of which are part of Qliro Group, to generate a significant portion of its revenues

Qliro was founded in 2014 as a payment solution provider to merchants that were part of Qliro Group (such as CDON.com, Nelly, NLYman, Lekmer and Tretti) and did in March 2015 introduce its payment solutions for merchants outside of Qliro Group. Still, merchants associated with Qliro Group accounts for a significant share of Qliro's e-retail volumes and revenues. Further, there is additional merchant concentration risk as the top five merchants account for a significant share of the total e-retail volumes and revenues respectively. As the companies within the Qliro Group have become increasingly independent from each other and may eventually become under separate ownership, there is a risk that the relationship between the merchants that are or have been part of Qliro Group on the one hand and Qliro on the other hand will be less beneficial in the future and that any new owners does not appreciate the services that Qliro offers to the same degree as the current owner and managements. Whilst Qliro's assessment is that the agreements, which run for several years, with other companies within the Qliro Group have been entered into on market terms, there is a risk that merchants that are or have been part of Qliro Group wish to renegotiate the agreements in a way that is unfavorable to Qliro. Customer concentration also involves an exposure, should one or more of the key customers terminate or decrease their business activities with Qliro. If these risks were to materialize, it could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risks related to Qliro's separation from the Qliro Group

Following on from Qliro Group's decision in June 2018 to operate its subsidiaries Qliro, CDON and Nelly as three entirely independent companies, Qliro Group is currently in the process of evaluating a stock exchange listing, divestment and potential structural transactions for its subsidiaries to generate shareholder value. The preparations for a stock exchange listing, divestment or other transaction are expected to involve transaction costs for Qliro and may also require significant manpower resources and distract management's attention from the business.

Like many other companies, Qliro is to a considerable degree dependent on its ability to recruit and retain senior executives and other key personnel. Specifically for Qliro, several of its senior executives and other key personnel have held their positions for a relatively short period of time. Also, a stock exchange listing, divestment or other transaction involving Qliro will put additional demands on the organization and particularly on Qliro's management. These demands may lead to higher staff turnover and it may be necessary for Qliro to make additional recruitments and organizational changes, which may have a material adverse effect on Qliro's business, operating results and/or financial position.

As a subsidiary of Qliro Group, Qliro has previously been able to request unconditional shareholder's contributions from Qliro Group. Following a potential separation from Qliro Group, Qliro will not be able to use this source of financing. This may call for a higher buffer in relation to the legal capital and liquidity requirements, as described further under section "Legal and regulatory risks", subsection "Capital adequacy and liquidity regulations", which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risk factors

Qliro operates in a highly competitive industry and may fail to compete successfully

Qliro operates in the financial services industry which is characterized by a high degree of competition and fragmentation. In parallel with an increase in the demand for attractive payment solutions for e-retailers, the level of competition in the industry has increased significantly. Qliro's competitors in this field, including Klarna Bank, may offer a broader range of products and services, have a stronger brand, operate with a wider geographical coverage and have significantly stronger financial resources. Also, traditional full service banks, which offer a wide range of products and services through extensive office networks and online, may increase their focus on sales financing and private loans which may increase competition in these areas. Further, in relation to Qliro's offering to consumers, the number of banks focusing specifically on private loans have increased. If Qliro cannot compete successfully, demand for Qliro's services may decrease. Qliro may also be forced to lower the price and/or interest on its services in order to compete or maintain demand. This, in turn, could have a material adverse effect on Qliro's business, operating results and/or financial position.

Qliro is exposed to reputational risks

As a company in the financial services industry, it is crucial for Qliro to enjoy confidence from the general public and therefore that its code of conduct and other policies are adhered to. The lack of confidence in Qliro amongst shareholders, employees, authorities and other stakeholders may result in Qliro suffering financial damages. Damages to Qliro's reputation may originate from internal as well as external factors. Qliro is dependent on creating a brand which is associated with positive values and a positive reputation, in order for merchants to choose Qliro as a preferred business partner and for consumers to use Qliro's payment solution. Damages to Qliro's brand and reputation may lead to damages to Qliro's market standing and thus cause a decrease in the demand for Qliro's services. The above could have a material adverse effect on Qliro's business, operating results and/or financial position.

The demand for Qliro's financial services is partly driven by consumer spending on e-commerce, which is affected by macroeconomic factors

Qliro's revenues are primarily driven by the number of transactions carried out by consumers using Qliro's payment solutions, but also increasingly by revenues generated from personal loans. This means that a downturn in the demand for e-commerce among consumers in general, affecting the merchants offering Qliro's payment solutions, will adversely affect Qliro. The demand in the retail sector is affected by macroeconomic factors such as the economic climate, general market and consumer trends, international, national and regional economic and political development, inflation, interest rate development, employment rate development, demographic patterns, levels of consumption and consumer preference, all of which are affected by general macroeconomic conditions in markets in which Qliro operates. Whilst the e-commerce sector may be more resistant, the retail industry has traditionally been cyclical and consumer purchases of discretionary retail items generally decline during recessionary periods and other times when disposable income is lower. In particular, a general economic downturn in the Nordic market and changes in the purchasing power of Nordic consumers could therefore adversely affect demand for products that Qliro provides. A decrease in the demand among consumers for Qliro's services could have a material adverse effect on Qliro's business, operating results and/or financial position.

LEGAL AND REGULATORY RISKS

Risks related to Qliro's credit market company license

The Swedish Banking and Financing Business Act (Sw. lag (2004:297) om bank- och finansieringsrörelse) (the "BFBA") requires all undertakings that conducts financing business to operate under a credit market company license granted by the SFSA. Qliro was granted a credit market company license by the SFSA on March 15, 2017. Qliro's credit market company license has an indefinite duration. The SFSA exercises supervision over Qliro and has the right to request any information regarding Qliro's operations or related circumstances as well as carry out investigations at Qliro's premises. Pursuant to the BFBA, the SFSA is obligated to intervene if Qliro violates any of its obligations under the BFBA, other applicable regulations that govern Qliro's operations, Qliro's articles of association or internal regulations. The SFSA may intervene by various means, including to issue an order to limit or reduce the risks of the operations in some aspect, restrict or prohibit payment of dividends or interest or take other measures to rectify the situation, issue injunctions or remarks. In case of material violations, the SFSA can, as an ultimate measure, revoke Qliro's credit market company license, following which the SFSA may determine the manner in which the business will be wound up. If deemed sufficient, taking into consideration, among other things, the nature, gravity, duration and potential effects on the financial system of the violation, the SFSA can, instead of revoking the license, issue a warning. Remarks and warnings may be combined with monetary fines up to ten percent of the annual turnover or two times the cost avoided or profit realized from the violation, where such amount can be ascertained. If Qliro were subject to material sanctions, remarks or warnings and/or fines imposed by the SFSA, this would cause significant and potentially irreparable, damage to the reputation of Qliro and, as a result, may have a material adverse effect on Qliro's business, operating results and/or financial position. Qliro's operations are contingent upon the credit market company license issued by the SFSA. The loss or suspension of the license would require Qliro to cease its credit market operations which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risk factors

Risks related to regulatory requirements and regulatory changes

As a Swedish credit market company, Qliro is under the SFSA's supervision with regard to, inter alia, solvency and capital adequacy, including solvency ratios and liquidity rules, as well as rules on internal governance and control. Furthermore, as a result of conducting operations on a cross-border basis in various countries, Qliro is subject to supervision by different competent authorities regarding certain aspects of the business, including e.g. marketing and selling practices, advertising, general terms of business and legal debt collection operations. Differences in the laws and regulations or differences in the interpretations of a law or regulation between the different competent authorities may require local adjustments of Qliro's operations. In addition, as for any provider of financial services to consumers, Qliro's services are occasionally reviewed by consumer authorities in Sweden, Finland, Denmark and Norway. New, amended or repealed laws and regulations, or the application of the aforementioned, by authorities could as a result have a material adverse effect on Qliro's business, operating results and/or financial position. This is also the case if relevant authorities were to reach opinions that differ from those of Qliro or third parties associated with Qliro's business, concerning licensing requirements, the necessity to obtain permits or other business law requirements. Failure to comply with applicable laws and regulations could lead to monetary fines and other penalties and ultimately lead to Qliro's credit market company license being revoked and Qliro being required to discontinue its business operations, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

There is a risk that measures taken by Qliro to ensure compliance with new laws and regulations are inadequate. Furthermore, any failures to implement new or amended laws, especially due to the increasing quantity and complexity of legislation, may lead to adverse consequences for Qliro. As Qliro primarily offers sales financing and consumer loan products, there is a risk that adverse changes in the regulatory environment, e.g. restrictions on consumer lending, will have a greater impact on Qliro's business and financial condition as compared to, for example, high street banks with a more diversified product mix. Qliro incurs, and expects to continue to incur, significant costs and expenditures to comply with the increasingly complex regulatory environment. This could have a material adverse effect on Qliro's business, operating results and/or financial position.

Capital adequacy and liquidity regulations

Qliro is subject to comprehensive regulations regarding capital and liquidity requirements, which are mainly based on the directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("CRD IV") and the regulation 575/2013/EU on prudential requirements for credit and investment firms ("CRR") (along with additional delegated acts and technical standards) that implements and amends the minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability by the Basel Committee on Banking Supervision, the Basel III Framework, in the EU. The CRR and CRD IV include certain capital requirements that are intended to vary over time and depend on, among other things, the existence of cyclical and structural systemic risks. Qliro must at any given time meet the specified capital and liquidity ratios and hold a sufficient amount of own funds and liquidity resources. Qliro may be required to hold even more capital if deemed necessary by the SFSA. Qliro is exposed to the risk of possible changes in applicable capital adequacy and liquidity requirements, changes in the SFSA's or other relevant authorities practices or the implementation of new rules and regulations. There is also a risk that relevant authorities assesses that Qliro does not fully comply with, or that the company violates, applicable regulations. There is a risk that such situations lead to further unexpected requirements in relation to Qliro's capital, leverage, liquidity and funding ratios, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Qliro is further subject to liquidity requirements in its capacity as a credit institution supervised by the SFSA, including a statutory requirement to maintain sufficient liquidity to be able to discharge obligations as they fall due. The SFSA has issued regulations on liquidity (including FFFS 2010:7), serious or systematic deviations from such regulations may lead to the SFSA determining that Qliro's business does not satisfy the statutory soundness requirements for credit institutions and could result in the SFSA imposing sanctions against Qliro.

Qliro is exposed to the risk of changes in the conditions of its business as well as external conditions, which may have a material adverse effect on Qliro's profitability and results, which can affect the capital adequacy ratio. For the foregoing reasons, Qliro may be required to raise additional regulatory capital and such changes could result in Qliro's existing regulatory capital ceasing to count either at the same level as present or at all. Any market perception or concern regarding compliance with future capital adequacy requirements, can increase Qliro's borrowing costs and limit its access to capital markets, which may have a material adverse effect on Qliro's profitability and results. This could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risk factors

The Recovery and Resolution Directive

Qliro is subject to directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms ("BRRD"). BRRD establishes a framework for the recovery and resolution of credit institutions and, inter alia, requires EU credit institutions to produce and maintain recovery plans setting out the arrangements that may be taken to restore long-term viability of the institution in the event of a material deterioration of its financial position. National resolution authorities, in consultation with competent authorities, are required to prepare resolution plans setting out how a firm might be resolved in an orderly fashion and its essential functions preserved if it were to fail. The National Debt Office (Sw. Riksgälden) is the national resolution authority in Sweden. The BRRD establishes a number of resolution tools and powers that may be used alone or in combination by the National Debt Office to manage an institutions failure. These tools and powers include the following: (i) a sale of business tool – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) a bridge institution tool - which enables resolution authorities to transfer all or part of the business of the institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) an asset separation tool - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximizing their value through eventual sale or orderly wind-down; and (iv) a general bail-in tool - which gives resolution authorities the power to write-down all or a portion of the principal amount of, or interest on, certain other eligible liabilities of a financial institution undergoing one of the resolution procedures noted above and/or convert certain unsecured debt claims into another security. All of the actions noted above can be taken without any prior shareholder approval. Bail-ins require creditors of a distressed institution to accept some losses in order to save the institution from insolvency. Should Qliro become subject to such bail-in or resolution powers, existing shareholders could experience a dilution or cancellation of their holdings without any compensation therefor. There is also a risk that claims from creditors will be written down, which in turn affects the financing costs of Qliro. This could have a material adverse effect on Qliro's business, operating results and/or financial position.

As noted above, the powers provided to resolution and competent authorities in the BRRD include write-down and conversion powers to ensure that relevant capital instruments (including subordinated notes) fully absorb losses at the point of non-viability of the issuing firm. Therefore, the Notes could be subject to a permanent write-down or conversion to equity at the point of non-viability. The exercise of any such power may be inherently unpredictable and may depend on a number of factors, which may be outside of Qliro's control. There is a risk that the application of any non-viability loss absorption measure may result in a conversion to equity or write-down, in whole or in part, of the principal amount of, or interest on, the Notes. Any such conversion to equity or write-down shall not constitute an event of default and the holders of the Notes will have no further claims in respect of any amount so converted or written-down. Any such exercise or any suggestion that the Notes could become subject to such exercise, could therefore have a material adverse effect on the value of the Notes.

The General Data Protection Regulation

As part of its business operations, Qliro processes large amounts of personal data on a daily basis, primarily in relation to the consumers using Qliro's services. The EU has adopted regulation 2016/679/EU on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR") which govern Qliro's ability to obtain, retain, share and otherwise process customer data. Qliro's compliance with GDPR is subject to supervision by national data protection authorities. These authorities may, from time to time, review or audit Qliro's data protection practices. Failure to comply with GDPR can subject Qliro to substantial monetary fines which could have a material adverse effect on Qliro's business, operating results and/or financial position.

Anti-money laundering

Since Qliro is licensed by the SFSA, Qliro is required to comply with the Swedish Anti-Money Laundering and Terrorist Financing Act (Sw. lag (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism), which requires Qliro to take actions in order to counteract money laundering and terrorist financing. The legal framework requires Qliro to maintain substantial procedures, internal control functions and guidelines to counteract money laundering and terrorist financing. Failure to comply with the applicable laws and regulations can result in material sanctions, remarks or warnings and/or fines imposed by the competent authorities. There is also a risk that business relationships and Qliro's reputation would be damaged, which could have a material adverse effect on Qliro's business, operating results and/or financial position.

The Swedish Deposit Guarantee Scheme

The Swedish Deposit Guarantee Scheme ("SDGS") guarantees depositors' deposits in the event Qliro is declared bankrupt or if the SFSA determines that the SDGS should be activated in a given situation. Qliro is exposed to the risk of changes in the SDGS framework such as an increase of the fees or decrease of the maximum compensation amount. A decrease of the maximum compensation amount could have a negative effect on the amount of customer savings deposits currently held by Qliro. Changes of the SDGS could have a material adverse effect on Qliro's liquidity, funding, business, operating results and/or financial position.

Accounting rules and standards

From time to time, the International Accounting Standards Board ("IASB"), the EU and other regulatory bodies change the financial accounting and reporting standards, which governs the preparation of Qliro's financial statements. These changes can be difficult to predict and materially affect how Qliro records and reports its financial condition and results of operations. In some cases, Qliro may be required to apply a new or revised accounting standard retrospectively, resulting in restating prior periods' financial statements. For example, in 2014, the IASB issued a new accounting standard for financial instruments, IFRS 9, which became effective from 1 January 2018. IFRS 9 provides principles for classification of financial instruments, and provisioning for expected credit losses that are mandatory, and therefore fully implemented by Qliro. Consequently, the new standards may lead to increased and more volatile provisions for credit losses. The IASB may make other changes to the financial accounting and reporting standards that governs the preparation of Qliro's financial statements, which Qliro may adopt prior to the when they become mandatory if deemed appropriate, or which Qliro may be required to adopt. There is a risk that any such changes could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risk factors

Risks related to legal proceedings, claims and disputes

Qliro may from time to time be involved in disputes associated with its operations. Disputes could concern claims from consumers, private parties, regulatory authorities or governments. Disputes and claims may be time consuming, disrupt operations, involve significant amounts and negatively affect Qliro's reputation and general standing. The outcome of such disputes may expose Qliro to unexpected costs and losses, reputational or other non-financial consequences. The actual outcome of such proceedings may, for example, not correspond to the perception on the market and Qliro's reputation may, as a result, be impacted in a way that does not accurately reflect the outcome of such proceedings. This could have a material adverse effect on Qliro's business, operating results and/or financial position.

Risks related to taxes and charges

Qliro conducts its business in accordance with its interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that Qliro's or its advisors' interpretation and application of laws, provisions and judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, Qliro's tax liabilities can increase, which could have a negative effect on its earnings and financial position.

RISKS RELATED TO THE NOTES

Risks related to the status of the Notes

The Notes constitutes direct, unsecured and subordinated liabilities of the Issuer and at all times rank pari passu without any preference among themselves. The Notes will rank pari passu with any liabilities or capital instruments of the Issuer which constitute tier 2 capital and any other liabilities or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes. The Notes will rank senior to any liabilities or capital instruments of the Issuer which constitute tier 1 capital and holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes in the event of the liquidation (Sw. likvidation) or bankruptcy (Sw. konkurs) of the Issuer. The Notes are subordinated to any present and future claims of depositors of the Issuer, any other unsubordinated creditors of the Issuer and any subordinated creditors of the Issuer whose rights are expressed to rank in priority to the holders of the Notes. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalization, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured and unsubordinated obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the noteholders. As a result, the noteholders may not recover any or full value. Each investor should be aware that by investing in the Notes, they risk losing the entire, or part of, its investment in the event of the Issuer's liquidation, bankruptcy or debt restructuring.

Risks related to noteholders and the agent being unable to accelerate the Notes

The Terms and Conditions do not include any obligations or undertakings binding on the Issuer which if breached would give rise to a right to the noteholders or the agent (being on the issue date Nordic Trustee & Agency AB (publ), reg. no. 556882-1879) to accelerate the Notes. The Notes may only be accelerated in the event of the liquidation or bankruptcy of the Issuer. There is a risk that the value of the Issuer's assets is diminished prior to, and in, a liquidation or bankruptcy.

Risks related to early redemption and call option

The Issuer may redeem all, but not some only, outstanding Notes on the first call date of the Notes or any interest payment date falling after the first call date. A subsidiary of the Issuer may also at any time on or following the first call date purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained or sold. Any redemption or purchase of the Notes by the Issuer or its subsidiaries are subject to the consent of the SFSA. The SFSA will base its evaluation on the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the SFSA will not permit such a call or that the Issuer will not exercise such a call. The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the SFSA, redeem the Notes upon the occurrence of a Capital Event or Tax Event (each as defined in the Terms and Conditions) at par together with accrued interest. The noteholders should be aware that they may be required to bear the financial risk of an investment in the Notes for a period of time in excess of the minimum period. The noteholders should not invest in the Notes with the expectations that such a call will be exercised by the Issuer. There is a risk that the noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Risks related to the Issuer not being prohibited from issuing further debt, which may rank pari passu or with priority to the Notes

The Issuer may incur additional financial indebtedness and provide additional security for such indebtedness that rank pari passu or with priority to the Notes. The incurrence of any such debt may reduce the amount recoverable by the noteholders in the event of the liquidation or bankruptcy of the Issuer. In addition, if any such third party financier holding security provided by the Issuer would enforce such security due to a default by any group company under the relevant finance documents, such enforcement could have a material adverse effect on the Issuer's business, operational results and/or financial position, and thus the position of the noteholders.

Risk factors

Credit risks

If the Issuer's financial position deteriorates it is likely that the credit risk associated with the Notes will increase as there would be an increased risk that the Issuer cannot fulfil its payment obligations under the Terms and Conditions toward noteholders. The Issuer's financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk can result in the market pricing the Notes with a higher risk premium, which can adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position may reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Notes.

Refinancing risk

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Notes. The Group's ability to successfully refinance its debt depends, among other things, on the conditions of the bank market, the capital markets and the Group's own financial condition at such time. There is a risk that the Group's access to financing sources will not be available on favorable terms or at all. If this risk materializes, it would have an adverse effect on the Group's business, operations, earnings and results and on the prospects or recovery by the noteholders under the Notes. Risks related to restrictions on the transferability of the Notes

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Notes may not offer or sell the Notes in the United States. The Issuer has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered the Notes under any other country's securities laws. It is each potential investor's obligation to ensure that any offer to sell and any sale of Notes comply with all applicable securities laws. Due to these restrictions, there is a risk that the noteholders cannot sell their Notes as desired.

Risks related to admission to trading, liquidity and market price of the Notes and the secondary market

The Issuer intends to apply to have the Notes admitted to trading on Nasdaq Stockholm within 30 calendar days from the issue date. However, there is a risk that the Notes are not admitted to trading in the aforementioned time frame or at all. Even if the Notes are admitted to trading on the aforementioned market, active trading in the Notes does not always occur and a liquid market for trading in the Notes might not occur even if the Notes are listed. This may result in the noteholders not being able to sell their Notes when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Notes. The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's business, operating result and/or financial position and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Issuer's business, operating result and/or financial position and thus the Issuer's ability to fulfil its obligations related to the Notes. Further, the nominal value of the Notes may not be indicative compared to the market price of the Notes if the Notes are admitted to trading on Nasdaq Stockholm. It should also be noted that during a given time period it may be difficult or impossible to sell the Notes on reasonable terms, or at all, due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Risks related to change of control of the Issuer

Following any potential change of control in the Issuer, the Issuer may be controlled by a majority shareholder whose interest may conflict with those of the noteholders, particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control many of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors of the Issuer. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments but might involve risks to the noteholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Issuer. If such an event were to arise, it could have a material adverse effect on the Issuer's business, operating results and/or financial position.

Risks related to interest rate and benchmarks

The value of the Notes is dependent on a number of factors, one of the most material being interest rate levels since the Notes will carry a floating rate interest. The Notes will bear interest at a floating rate, by reference to STIBOR plus a certain margin. An increase in interest rate levels would likely cause the value of the Notes to deteriorate, and a decrease in interest rate levels would likely cause the value of the Notes to increase. Investment in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in the interest rate level.

The manner in which benchmark rates such as STIBOR are set is undergoing significant change. Benchmark rates have been the subject of recent international and other regulatory guidance and proposals for reform. Some of these reforms are already effective, including most of the EU regulation EU/2016/1011 (the "Benchmark Regulation"), which became fully effective on 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks (including STIBOR), the contribution of input data to a benchmark and the use of a benchmark within the EU. The Terms and Conditions provide for certain fallback arrangements if STIBOR becomes unavailable, which could result in the effective application of a fixed rate for the Notes, and there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Any significant change to the setting or existence of STIBOR might have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

Since the Notes bear interest at a floating rate, the floating rate interest income is subject to changes to the STIBOR rate (with no zero floor) and therefore cannot be anticipated. Hence, noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments. In addition, noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments. There is also a risk that the noteholders will not be able to reinvest the amounts received as coupon payments at a rate that will provide the same rate of return as their investments in the Notes.

Risk factors

Risks related to currency exposure

The Notes will be denominated and payable in SEK. If noteholders measure their investment return by reference to a currency other than SEK, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments. This could decrease the effective yield of the Notes to below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, there is a risk that investors receive less interest or principal than expected, or no interest or principal at all.

Risks related to noteholder representation and majority decisions

In accordance with the Terms and Conditions and the agency agreement, an agent will represent all noteholders in all matters relating to the Notes and the noteholders are prevented from taking actions on their own against the Issuer. Consequently, an individual noteholder do not have the right to take legal actions to declare any default by claiming any payment from, or enforcing any security granted by, the Issuer and may therefore lack effective remedies unless and until a requisite majority of the noteholders agree to take such action. However, there is a risk that an individual noteholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) which could negatively impact actions against the Issuer. To enable the agent to represent noteholders in court, the noteholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all noteholders to submit such a power of attorney could negatively affect the legal proceedings. A failure by the agent to perform its duties and obligations properly or at all may have a material adverse effect on the enforcement of the rights of the holders of the Notes.

The Terms and Conditions include certain provisions regarding noteholders' meetings. Such meetings may be held in order to resolve on matters relating to the noteholders' interests. The Terms and Conditions will allow for stated majorities to bind all noteholders including noteholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted noteholders' meeting. Consequently, the actions of the majority in such matters could impact an individual noteholder's rights in a manner that may be undesirable for some of the noteholders.

Risks related to potential conflict of interest in relation to the bookrunner

Carnegie Investment Bank AB has been appointed by Qliro as the sole bookrunner in relation to the issue of the Notes. The bookrunner may in the future engage in investment banking and/or commercial banking or other services for the Issuer in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the bookrunner having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Risks related to the clearing and settlement in an account-based system

The Notes will be affiliated to the account-based system of the Swedish Central Securities Depository, Euroclear Sweden AB, reg. no. 556112-8074, ("Euroclear Sweden") hence no physical notes will be issued. Clearing and settlement relating to the Notes will be carried out within Euroclear Sweden's book-entry system, as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear Sweden's account-based system.

Risks related to amended or new legislation

The Terms and Conditions will be based on Swedish law in force at the date of issuance of the Notes. There is a risk that amended or new legislation and administrative practices may have a material adverse effect on the investor's ability to receive payment under the Terms and Conditions.

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