

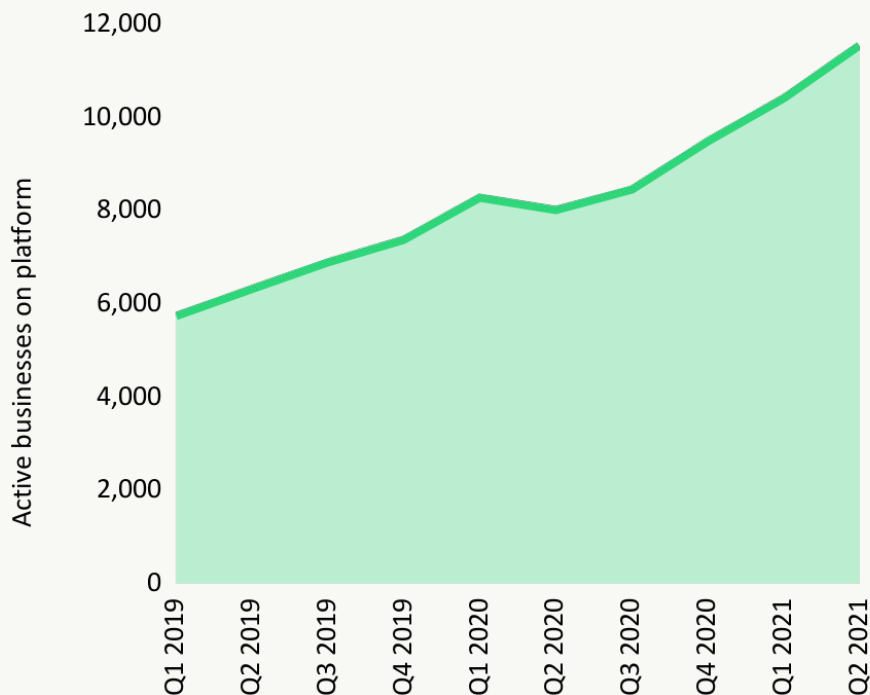
# Business Update

## Qred Holding AB (publ)

### Q2 – 2021



# Qred right now helps almost 12,000 businesses



- Our economy and welfare depend on small business.
- Qred focuses on helping businesses with 1-10 employees.
- Over 95% of all businesses are small businesses.
- Small businesses create more than 80% of all new jobs.
- Qred is creating 10 new jobs a day, 7 days a week, with the help of the funding we provide to the small business community.

# Smart credit cards for small businesses



Qred is solving the problem with access to daily credits and receipts management.

- Most small businesses have difficulties getting a credit card.
- Qred received its AIS/PIS license in Nov-2020.
- Qred is a part of Visa's FinTech Fast Track program and was awarded Principal Membership with Visa Jun-2021.
- Qred will launch the first credit card specifically designed for small businesses in the Nordics during Q3 2021.
- Smart handling all of paper receipts will make life easier for small businesses.

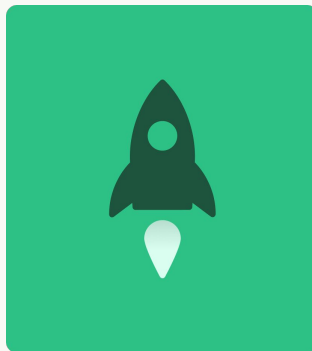


# Powering entrepreneurs to build our future.



## Business Loans

- ✓ Access up to €200k today
- ✓ No start fees, no hidden fees and no lock-in
- ✓ Nordic market leader



## Sell Invoices

- ✓ Get paid same day
- ✓ Sell one or more invoices
- ✓ Connect your accounting system for automated process



## Credit Cards

- ✓ Up to 45 days free credit
- ✓ Forget about receipts and accounting
- ✓ No start fee and no monthly fee

# Qred drives engagement and loyalty



The typical Qred customer

- Has been in business for 9 years,
- has a turnover of SEK 5m p.a.,
- is 36-55 years old,
- is working in construction, trade, transportation or hotel & restaurants, and
- **is a satisfied and returning customer that use Qred for 3 loans**

**Qred Oy | [qred.com/fi](https://qred.com/fi)**



490 reviews | TrustScore 4.8 | [Write a review](#)

**Qred AB | [qred.com/se](https://qred.com/se)**



319 reviews | TrustScore 4.8 | [Write a review](#)

**Qred Erhvervslån | [qred.com/dk](https://qred.com/dk)**



139 reviews | TrustScore 4.7 | [Write a review](#)

*Qred has the most satisfied customers in small business lending according to Trustpilot.*

# Integrating financial products for SMEs



- Partners can provide small business with frictionless access to funding using Qred's integrated finance solutions.
- The partnership channel is continuing to grow in importance.
- Qred has signed partnerships with e.g. Bokio, Lunar, Foodora, Dinero and Ehandel.
- Partners are able to fully integrate Qred's products using Qred's API.

## API Reference

### Create OAuth2 token

Before OAuth 2.0 can be used, a client id and client secret must be acquired.

An access token can be obtained by sending the client id and the client secret to <https://qredab.eu.auth0.com/oauth/token>.

Example of request body

```
{
  "client_id": "some_client_id",
  "client_secret": "some_client_secret",
  "audience": "https://api.qred.com",
  "grant_type": "client_credentials"
}
```

### Pre-offer/loan application request body

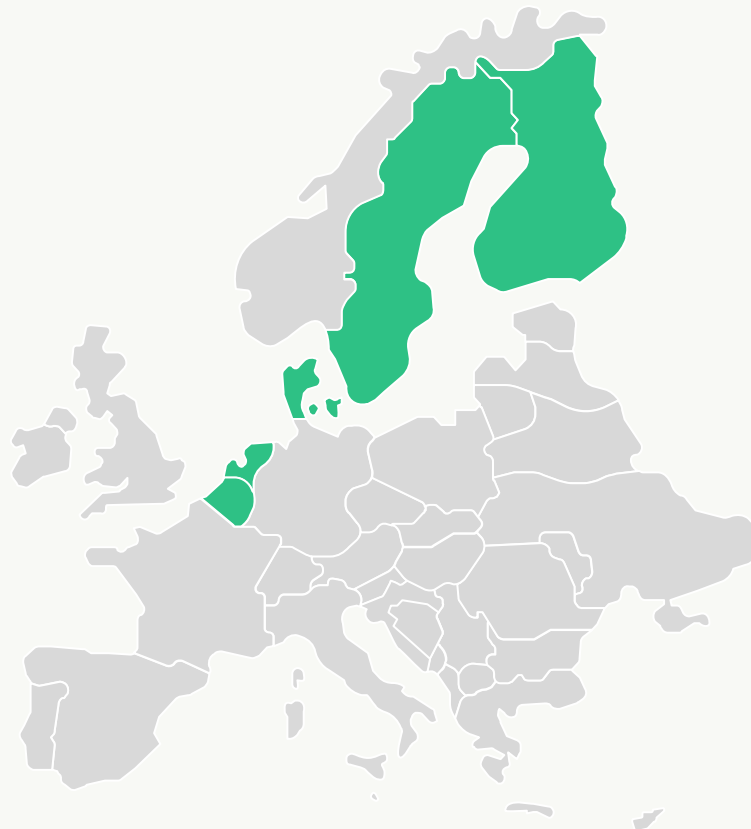
Full request body

```
{
  "amount": 0,
  "applicant": {
    "additionalName": "string",
    "allow_person_report_fetch": true,
    "dateOfBirth": "string",
    "email": "string",
    "familyName": "string",
    "givenName": "string",
    "nationalIdentificationNumber": "string",
  }
}
```

# Successful international expansion



- Qred was founded in 2015.
- Qred has quickly become the Nordic market leader in small business lending.
- Qred is currently gaining good traction in the Netherlands and Belgium.
- In 2020 Qred was launched in Brazil, capturing the big demand for small business finance in one of South America's most vibrant markets.



# Continued strong growth across markets

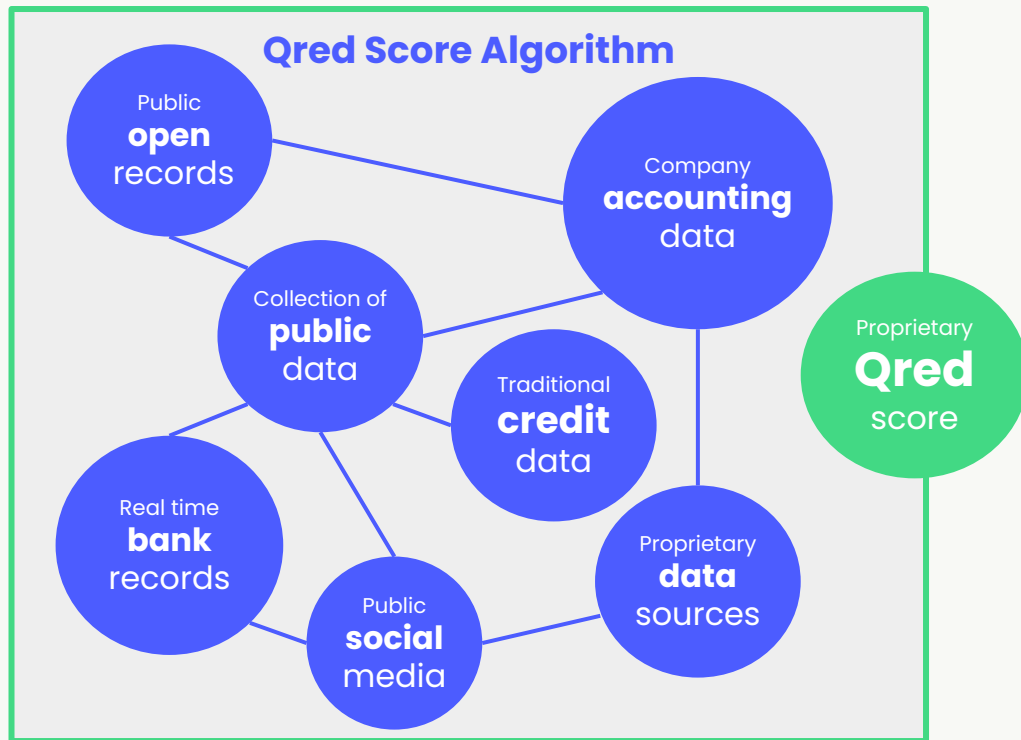


- Qred's scalable business model is highly replicable and has allowed a fast paced roll-out over geographical markets.
- Qred is active in Sweden, Finland, Denmark, the Netherlands and Belgium in addition to Brazil (not consolidated).
- The share of income generated outside Sweden around 2/3 of the total income.
- Qred's products are in high demand and appreciated by small businesses across markets.





# Digital, automated and intelligent



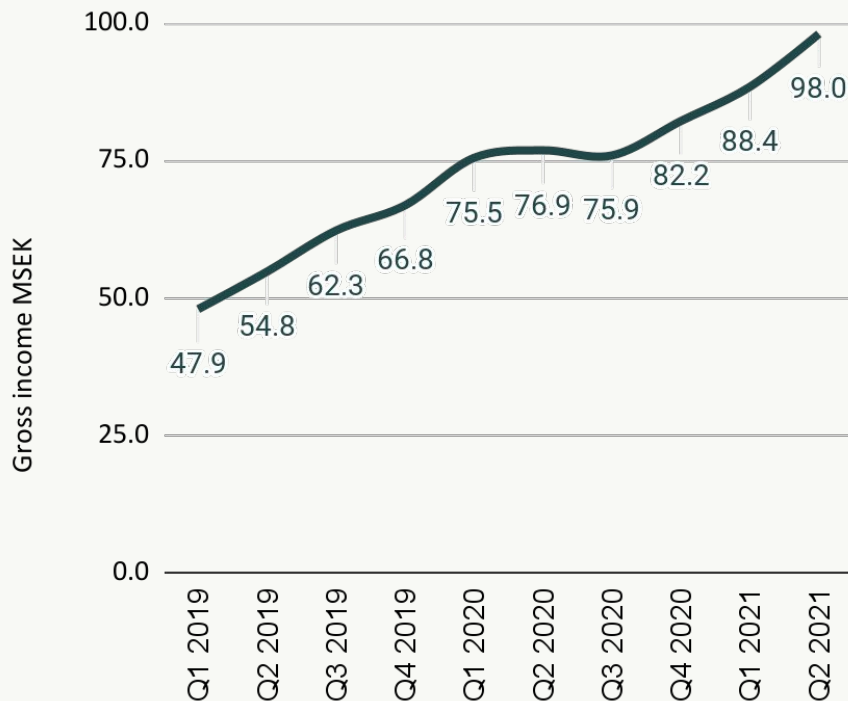
- **Automated scoring**  
A 100-year old process automated using machine learning
- **Large dataset**  
Leading SME lender in the Nordics
- **+300,000 sets of data**  
Data is king in machine learning

# Financial overview

## Q2 - 2021



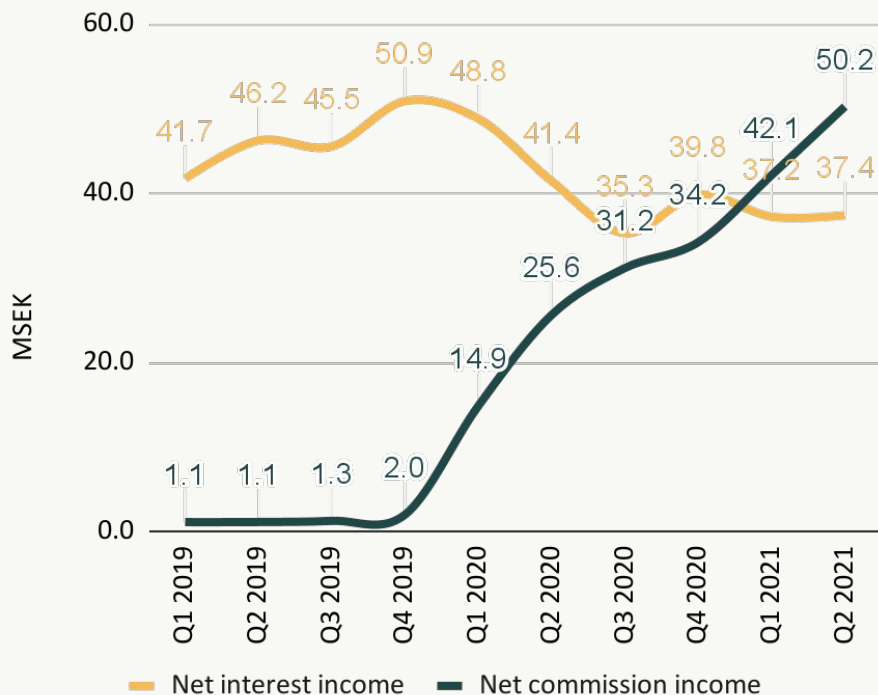
# Back to growth after slow Q2–Q3 2020



Gross income = commission + interest income

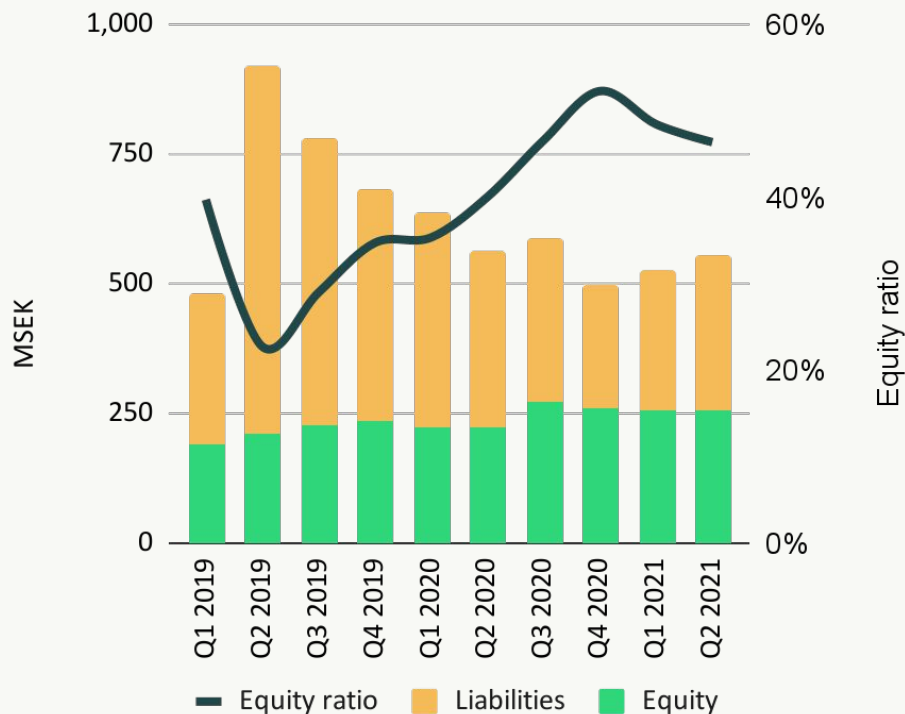
- Qred is Sweden's fastest growing fintech company, according to Financial Times.
- Qred is back on a fast growth track after a temporary slowdown in Q2–Q3 2020 due to COVID.
- The demand for small business funding is recovering as a result of preparing for post COVID situation.
- The internal underwriting restrictions are gradually removed as market is recovering.
- The addition of new markets is positively contributing to growth.

# Fast growing commission income



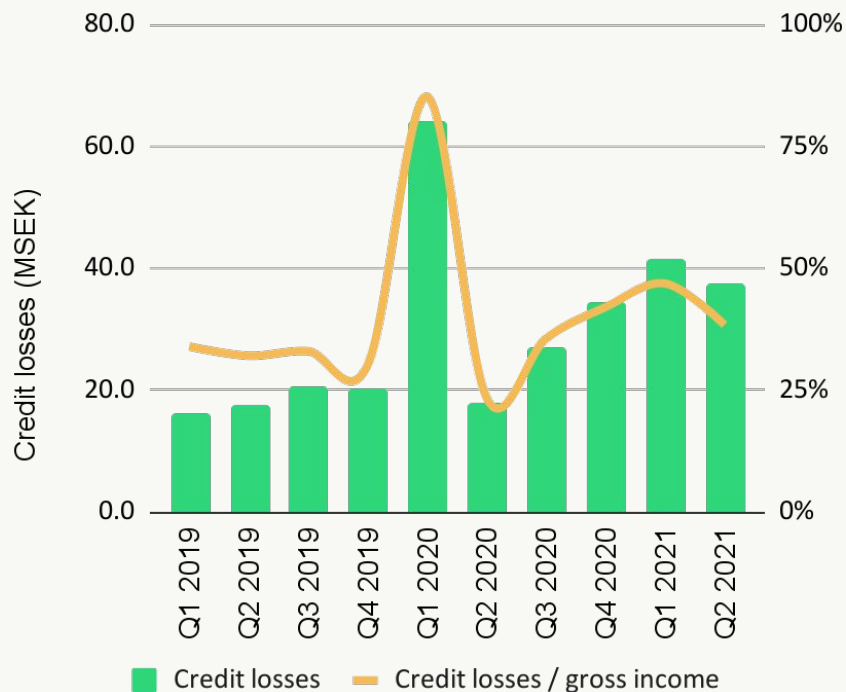
- Increasing share of funding to small business from Qred's platform are provided by partner banks.
- The net commission received for mediated credits have surpassed net interest.

# Slimming the balance sheet



- Qred issued a bond of EUR 40m in June 2019.
- The liabilities have been reduced as a result of increasing mediation of business loans.
- After several repurchases of bonds the outstanding amount end of Q1 2021 was EUR 21.2 m.
- The equity ratio was 45%.

# Risk optimization for long term value creation



- Qred's ambition is to at all times optimize credit risk, not to minimize risk.
- Credit reserves according to IFRS 9 including all expected future losses.
- Many of Qred's customers are negatively affected by COVID restrictions.
- Provision levels are based on a combination of credit risk for each individual credit and macroeconomic outlook.
- Qred is relatively resilient to temporarily higher credit losses given the high equity ratio.

# Income statement



| Amounts in SEKm                              | Q2 2021     | Q2 2020     | FY 2020      |
|--|-------------|-------------|--------------|
| Gross income                                 | 98.0        | 76.5        | 310.4        |
| <b>Total net operating income</b>            | <b>88.3</b> | <b>81.6</b> | <b>297.7</b> |
| Operational expenses                         | -48.0       | -26.4       | -122.0       |
| <b>Operating profit before credit losses</b> | <b>40.3</b> | <b>55.1</b> | <b>175.6</b> |
| Credit losses, net                           | -37.6       | -18.0       | -143.9       |
| <b>Operating profit</b>                      | <b>2.7</b>  | <b>37.1</b> | <b>31.8</b>  |
| <b>Net profit</b>                            | <b>2.1</b>  | <b>32.2</b> | <b>29.4</b>  |

- Gross income increased with 28%.
- Growth in income driven by higher demand across markets.
- Extraordinary income of SEK 9.4m in Q2 2020 related to bond repurchases.
- Credit losses Q2 2020 include recalibration of credit reserves to reflect the worsening macroeconomic outlook due to COVID-19.

# Balance sheet



| Amounts in SEKm                            | 2021-06-30   | 2020-12-31   |
|--|--------------|--------------|
| <b>ASSETS</b>                              |              |              |
| Loan receivables                           | 409.1        | 412.3        |
| Other assets                               | 41.8         | 42.7         |
| Cash & receivables fr. credit institutions | 123.5        | 80.1         |
| <b>Total assets</b>                        | <b>574.4</b> | <b>535.1</b> |
| <b>EQUITY</b>                              |              |              |
| <b>Total equity</b>                        | <b>256.2</b> | <b>260.9</b> |
| <b>LIABILITIES</b>                         |              |              |
| Debt to financial institutions             | 29.2         | 25.5         |
| Bond                                       | 221.8        | 186.7        |
| Other liabilities                          | 57.6         | 60.7         |
| <b>Total liabilities</b>                   | <b>308.6</b> | <b>272.9</b> |
| <b>Total equity and liabilities</b>        | <b>574.4</b> | <b>535.1</b> |

- Loan receivables continued to decrease as an effect of an increasing share of loans mediated to 3rd party.
- Cash increased as a result of selling bonds in the market.
- The equity ratio was 44.6% (52.3%).



# About Qred



Founded in 2015 by entrepreneurs for entrepreneurs, Qred is now Sweden's fastest growing fintech company according to Financial Times.

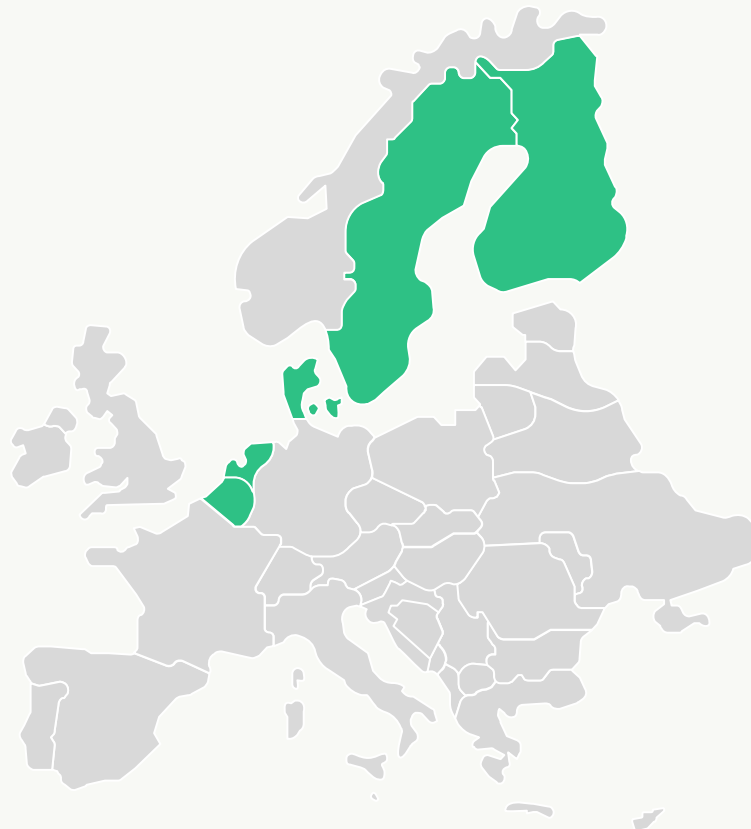
Qred is the market leader in the Nordic region and has Sweden's most satisfied customers according to Trustpilot.

With operations in Sweden, Finland, Denmark, the Netherlands, Brazil and Belgium – Qred has helped more than 25,000 companies. Qred's fully automated, proprietary credit scoring system allows us to quickly and competitively provide business owners with the power they need to grow.

The Qred group is employing over 100 persons.

Right now, Qred is creating ten jobs a day, 7 days a week.

To read more about Qred, please visit [qred.com](https://qred.com).



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