

## Lendify Sweden 1 AB (publ) releases interim report for the period 2017-03-29 to 2017-12-31 and announces repurchase of bonds

### FOURTH QUARTER 2017

- Operating income amounted to 5 997 kSEK.
- Operating profit amounted to 2 199 kSEK.
- Profit after tax amounted to -2 415 kSEK

### PERIOD 2017-03-29 – 2017-12-31

- Operating income amounted to 10 726 kSEK.
- Operating profit amounted to 4 273 kSEK.
- Profit after tax amounted to -4 646 kSEK

### FINANCIAL OVERVIEW

kSEK	2017-10-01 – 2017-12-31	2017-03-29 – 2017-12-31
Operating income	5 997	10 726
Operating profit	2 199	4 273
Net financial income/expenses	-4 614	-8 920
Profit/loss for the period	-2 415	-4 646
Total assets	301 703	301 703
Operating margin %	37%	40%
Solidity %	10,9%	10,9%

### CEO COMMENTS

Lendify Sweden 1 AB (publ), org. no 559106–7524 ("Lendify Sweden 1"), was incorporated 29 March 2017. The company is a wholly owned subsidiary of Lendify AB, org. nr 556968–1744 ("Lendify"). Lendify Sweden 1 has issued bonds of SEK 300 million. Funds from the bond issue has financed acquisitions of consumer loan portfolios from Lendify. The average interest on the loan portfolio was 9,1% as at 2017-12-31.

During the period there were no realized credit losses. Provision for credit losses amounted to SEK 2.3 million during the period, which correspond to around 1.5% in loan loss reserve rate (annualised).

The new IFRS9 standard, which is effective from Jan 1<sup>st</sup> 2018, outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition, will be followed for reporting loan losses reserves. This new standard, which required to make provision even for performing loans, would have impacted the reserves with 1,4 million in additional reserves for performing loans if applied as of 2017-12-31. After this one-time effect, the monthly incremental reserves requirement should revert to similar level as in 2017.

Key Indicators as of 2017-12-31		
Total outstanding capital (SEK)	259 826 514	
Average interest rate	9,1%	
Average term (months)	90	
Weighted Average UC score <sup>1</sup>	2,55%	
Risk distribution		
Risk class	Percentage of outstanding nominal amounts	Weighted UC score
A	10,5%	0,16%
B	13,6%	0,45%
C	20,1%	0,90%
D	24,5%	1,86%
E	21,0%	4,18%
F	10,3%	9,25%
Grand Total	100,0%	2,55%

<sup>1</sup> \*The UC score represents the propensity, at time of loan origination, for a debtor to get a payment remark (Sw. betalningsanmärkning) within 12 months.

## EVENTS DURING THE PERIOD

Lendify Sweden 1 issued SEK 200 million bonds on 30 May 2017 and SEK 100 million bonds on 11 October 2017.

Lendify Sweden 1 has acquired three portfolios of loans. The first portfolio was acquired from Lendify on 12 June 2017 in an amount of SEK 121 million, the second portfolio was acquired on 16 August 2017 in an amount of SEK 85 million and the third was acquired on 23 October 2017 in an amount of SEK 112 million.

Lendify Sweden 1 has made repurchases of bonds for the excess liquidity from amortisation and interest. The Company purchased bonds in Lendify Swe Bond 1 in an amount of SEK 25 million in December 2017.

Due to the new standard for provision for bad debt, IFRS 9, where provisions are also made for loans that are not due, the Company sold loan portfolios to Lendify for SEK 5 million on 29 December 2017. This was made in order to make sure the Company is compliant with the solidity requirement. The sale was made at nominal amount.

Lendify Sweden 1 has received a shareholder's contribution of SEK 37 million from Lendify.

The bonds were listed on NDX, a regulated market operated by NGM, on 21 July 2017.

## COMPLETE REPORT

The complete interim report in Swedish can be downloaded from:  
<https://lendify.se/InvestmentFunds/LendifySweden1>

The interim report has not been reviewed by Lendify Sweden 1's auditors.

## REPURCHASE OF BONDS

As part of its management of excess liquidity Lendify Sweden 1 AB (publ) also announces that it has completed a partial repurchase of outstanding bonds for a nominal value of SEK 25 million (ISIN SE0009973514) in February 2018. The repurchased bonds correspond to 8.3 percent of total issued volume of SEK 300 million.

*For further information, please contact:*

Erika Eliasson, Chief Investor Relations Officer tel. no. +46 (0)70 999 10 70

*This information is information that Lendify Sweden 1 AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 26 February 2018.*