

Lendify Sweden 1 AB (publ) releases interim report for the period January – September 2018

January – September 2018 (compared with January-September 2017)

- Operating income amounted to 16 145 KSEK (4 729 KSEK)
- Operating profit amounted to 5 735 KSEK (2 074 KSEK)
- Profit/loss after tax amounted to -6 947 KSEK (-2 231 KSEK)

Third quarter 2018 (compared with second quarter 2018)

- Operating income amounted to 4 767 KSEK (5 368 KSEK)
- Operating profit amounted to 1 447 KSEK (2 855 KSEK)
- Profit/loss after tax amounted to -2 646 KSEK (-1 336 KSEK)

Financial overview

KSEK	Q3 2018	Q2 2018	Q3 2017	Jan-Sept 2018	Jan-Sept 2017*
Operating income	4 767	5 368	4 005	16 145	4 729
Operating profit	1 447	2 855	1 698	5 735	2 074
Net financial income/expense	-4 093	-4 191	-3 223	-12 682	-4 305
Profit/loss for the period	-2 646	-1 336	-1 525	-6 947	-2 231
Total assets	228 200	248 982	220 610	228 200	220 610
Operating margin %	30.4%	53.2%	42.4%	35.5%	43.8%
Equity ratio %	10.8%	10.9%	10.5%	10.8%	10.5%

*The company started its business on 29th March 2017.

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. no. 556968–1744 ("Lendify"). Lendify Sweden 1 has issued bonds of SEK 300 million. Funds from the bond issue has financed 3 acquisitions of consumer loan portfolios from Lendify AB. The average interest on the loan portfolio was 9.2% as at 2018-09-30. Credit losses amounted to SEK 4.8 million during January-September 2018 (SEK 1.1 million during January-September 2017). The risk distribution of the acquired loan portfolios is shown in the table below.

Risk class	Percent of nominal amount	Weighted UC score*
A	10.46%	0.16%
B	13.84%	0.46%
C	20.11%	0.90%
D	24.40%	1.86%
E	20.87%	4.20%
F	10.32%	9.17%
Total	100.00%	2.54%

* The UC score represents the propensity, at time of loan origination, for a debtor to become insolvent within 12 months.

Events during January-September 2018

Lendify Sweden 1 has used the liquidity from interest payments and instalments to repurchase bonds in Lendify Swe Bond 1. Repurchases were made in February 2018 (SEK 25 million), May 2018 (SEK 23 million) and August SEK 19 million.

From 1 January 2018 the Company applies a new IFRS standard for reporting of financial instruments, IFRS 9. According to IFRS 9, reserves for credit losses shall be made on all consumer loans including performing loans. This has caused earlier recognition and higher reserves for credit losses.

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 27 November 2018.