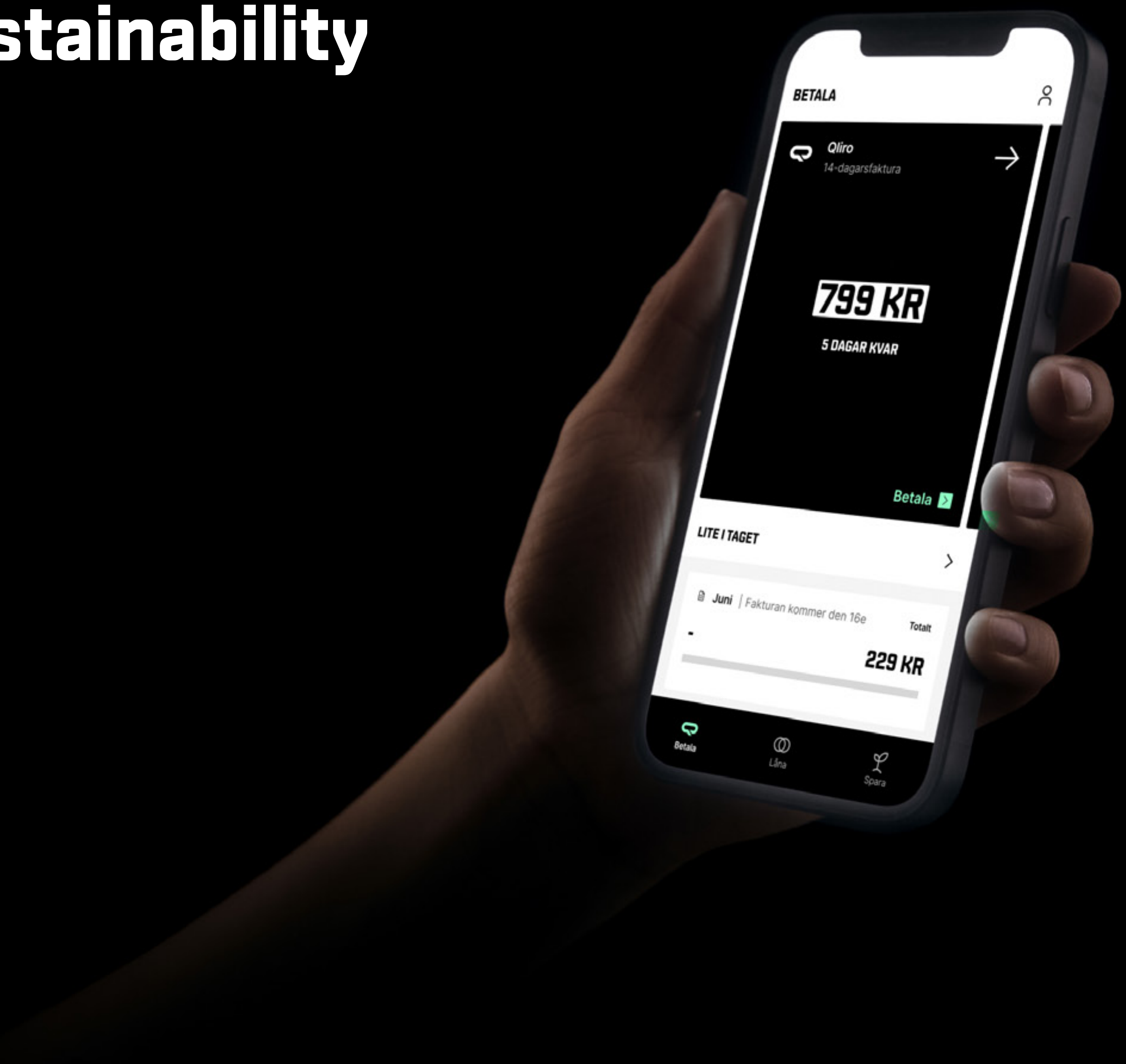
QLIRO

Annual and Sustainability Report 2023



Welcome to Qliro

Founded in 2014 by e-merchants for e-merchants, Qliro is a fintech company that provides digital payment solutions to leading e-merchants and their consumers. Qliro's vision is to build a leading European payment solutions provider with global reach, starting in the Nordics.

The offering in Payment Solutions includes a complete checkout solution optimized for conversion, increased sales and a customer journey that creates loyal and returning customers. Qliro provides all relevant payment methods in the complete offering Unified Payments, and follows e-merchants on their international growth journey. Qliro primarily focuses on e-merchants in the Nordics, where Qliro also offers proprietary payment methods to consumers: invoicing and part payments.

Qliro also offers other digital financial services to individuals in Sweden, such as savings accounts and personal loans, trough the Digital Banking Services business area, which generates less than 15 percent of the company's income.

Qliro is a credit market company under the supervision of the Swedish Financial Supervisory Authority. Qliro's registered office is located in Stockholm, Sweden. Qliro's shares are listed on Nasdaq Stockholm under the ticker "Qliro".

CONTENTS

OUR HISTORY

2014 - 2015

Qliro is founded as a wholly-owned subsidiary of CDON Group with the purpose of developing a flexible modular payment solution based on the needs of larger merchants to offer a customer journey that creates loyal customers.

Qliro launches Pay Later products (invoicing and part payments) for e-commerce in Sweden. Pay Later products are launched in Finland and Denmark.

2016 - 2017

Qliro One is launched – a flexible checkout solution fully integrated with Qliro's Pay Later products and other payment alternatives offered through partners.

Qliro becomes a credit market company and launches personal loans and savings accounts to consumers in Sweden.

Qliro expands its payment offering to Norway.

2018 - 2019

The company recruits a new management focused on developing two complementary business areas.

Qliro strengthens its position with major e-merchants through contracts with operators such as Dramaten, Nordic Feel/ Eleven, Inkclub and Ginza.

2020 - 2021

Qliro is listed on Nasdaq Stockholm under the ticker "Qliro".

Qliro onboards new e-merchants such as Biltema and the first Norwegian merchant Blush.

Qliro strengthens its market position through contracts with e-merchants such as Inet and CAIA Cosmetics.

Qliro has the second most downloaded fintech app in Sweden in the year.

Qliro starts to develop a more standardized offering for SME merchants in Sweden.

2022

Christoffer Rutgersson appointed new CEO.

The company's commercial focus is strengthened, new executives appointed to 70 percent of senior manager positions.

Qliro launches updated strategy with a sharpened focus on Payment Solutions.

Qliro initiates transformation of the company through a profitability program. The aim is to reach profitability for the full year 2023.

Mobile payment methods introduced, including Vipps, MobilePay and Swish.

Qliro terminates direct marketing activities in Digital Banking Services.

2023

Qliro meets financial target of positive profit for the full year 2023 following four consecutive profitable quarters.

Qliro strengthens product offering, including the launch of payment service Unified Payments.

Qliro launches new tech strategy, appoints a merchant success team and triples sales capacity.

Qliro welcomes 17 new e-merchants, including Proteinbolaget, and extends partnership with Nelly Group.

Qliro adopts a new vision and mission, reflecting the company's higher level of ambition.

Q1 2024

Qliro strengthens four management positions, all with relevant sector experience in payment solutions.

Qliro signs the company's largest agreement to date with Skruvat Reservdelar and Bythjul. Total payment volumes exceed SEK 1 billion.

Qliro announces plans to expand into Norway in 2024.

OUR VISION

To build a leading European payment solutions operator with global reach.

OUR MISSION

To deliver a world-class experience to e-merchants and their customer journey.

The year in numbers

+9%
Total income SEK 448.5 m

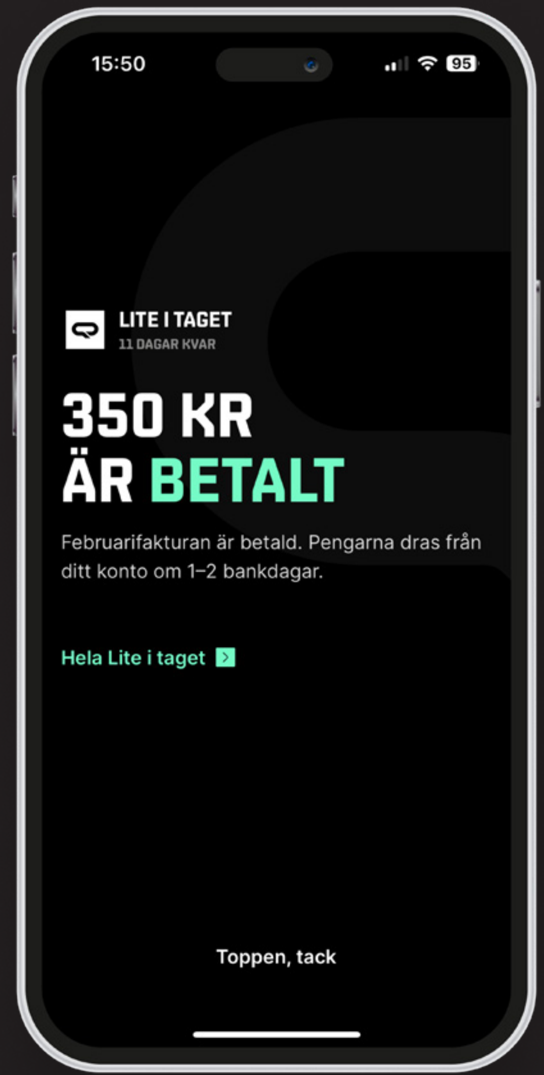
+11%
Income growth, Payment Solutions to SEK 374.6 m

5.6 m
Number of active customers

+29%
Number of connected merchants 75

-2%
Change in payment volume

SEK 11,868 m
Total payment volume



Highlights of the year

Q1

- **Reached positive operating profit** faster than expected, with the ambition to maintain profitability for the full year 2023.
- **Expanded portfolio of e-merchants** through agreements with several new merchants in the Enterprise segment.
- **New management in place** in line with the company's updated strategy, with experience of payment solutions, e-commerce and fast-growing tech companies.

Q2

- **Launched payment service Unified Payments** (previously Collecting PSP) with card payments as the primary payment method.
- **Strengthened partnership with Trustly** by implementing Trustly's new express experience for increased conversion in Qliro's checkout solution.
- **Arranged Growth & Profitability e-commerce event** at the Stockholm Museum of Modern Art with close to 200 guests, including partners and merchants.

Q3

- **Initiated partnership with AI platform SiftLab** with the aim of driving upsell in the checkout.
- **Became new payment partner** of Enterprise merchant Proteinbolaget, a leading e-merchant in health and fitness products.
- **Launched Swish in Unified Payments** and launched the payment service under the new name Unified Payments (previously Collecting PSP) with merchants.
- **Extraordinary General Meeting** resolved to issue warrants to Qliro's Board of Directors.

Q4

- **Signed extended collaboration agreement with Nelly Group** relating to Pay Now volumes in Unified Payments, in addition to existing Pay Later agreement.
- **Reached financial target of positive operating profit for the full year 2023** following a successful profitability program.
- **Arranged** Growth & Profitability e-commerce event in Gothenburg alongside partners and merchants.

A selection of our collaboration partners

CDON
Nelly
Proteinbolaget
Lyko
Inet
Nordicfeel/Eleven/Blush
Parfym
Syster P
CAIA Cosmetics
Happyday
Skruvat Reservdelar
Bythjul

A year of transformation, growth and profitability

2023 saw the start of a new Qliro. This was a year characterized by transformation - commercial, organizational, technical and financial. With a clear new vision, we delivered on our updated strategy of becoming Europe's leading payments provider for e-merchants.

When summarizing 2023, I reflect on my first full year as CEO of Qliro – a year characterized by significant strategic advances in line with the plan presented towards the end of 2022. In addition to sharpening our focus on e-merchants and their customer journey, we recruited new management with the right experience for supporting the new strategy and our increased level of ambition. We have focused sharply on ensuring scalability, improving our product offering, establishing new partnerships, expanding our addressable market, and ensuring commercial success. 2023 was also the company's first profitable year since listing on Nasdaq Stockholm, which was also our financial target for the year.

Financial progress 2023
Total income increased by 9 percent to SEK 449 million. In the business segment Payment Solutions, income increased by 11 percent to SEK 375 million as a result of increased interest in our products and 29 percent more connected merchants on Qliro's platform. Operating profit improved by as much as SEK 124 million to SEK 8 million as a result of the completed profitability program. Adjusted for items affecting comparability, operating profit increased by SEK 90 million to SEK 10 million.

Improved product offering
In parallel with our profitability program, we also increased investments in product development by expanding the team of developers by 38 percent, for example. In addition, we have appointed several new innovative leaders with international industry experience. We have developed our product offering by focusing on three main areas: increased conversion rate, upsell, and increased customer satisfaction, including an improved customer journey that creates loyal customers who return to the original merchant time and time again. We are proud to conclude that we have successfully delivered concrete results across all areas.

The checkout conversion rate accelerated over the year as a result of an improved customer journey and personalized optimization of payment options, improved transaction analysis, and the introduction of direct payments with Trustly Express, Vipps, MobilePay and Swish.

A new collaboration with Sift Lab provides our merchants with access to the latest technology for upsell and AI-generated product recommendations, which has led to increased upsell. One example is provided by Parfym.se, where the use of Qliro's upsell module doubled upsell in the checkout.

In line with our aim of offering the market's best experience for e-merchants, we launched Unified Payments in the year, a new complete payments offering for e-merchants that represents an important milestone in our growth strategy. Alongside a large number of new integrations, including delivery experience platform Ingrid, e-commerce platform Norce and integration platform Junipeer, as well as accounts and ERP systems Fortnox and Specter, we are continuing to build on our modular platform in order to enable more collaborations that facilitate administration and contribute to e-merchant success.

Although this work is far from done, internal surveys suggest that we are on the right track. During the year we achieved our best results to date, both amongst merchants and end consumers. This was also confirmed by the growing number of merchants using Qliro's platform.

Challenging e-commerce climate in 2023

2023 was a challenging year for many e-merchants, with consumer finances having an overall negative impact on the sector. Although the comparison is not perfect, Swedish e-commerce sales contracted by 8 percent compared to 2022 according to the Swedish Trade Federation's e-commerce indicator.

Over the past year, we have seen a clear sector change with many merchants shifting their focus from growth towards profitability. For Qliro, where total payment volumes decreased by only 2 percent in the full year, lower volumes were attributable to completed profitability projects with many of the company's Enterprise merchants. These projects led to reduced campaign activity in the year and the associated lower volumes. In terms of transactions, Pay Now volumes increased by 7 percent in the year and BNPL volumes increased by 3 percent, which contributed positively to income for the year. Although our e-merchants' short-term focus on profitability has affected Qliro's underlying organic volume growth negatively, we expect to return to profitable growth shorty as a result of a stronger starting point.

Growing portfolio of merchants

Over the past year, we have been delighted to welcome several new merchants to Qliro's platform, both within the Enterprise and SME segments. The total number of connected merchants increased by almost 30 percent, reaching 75 (58) at year end. At the time of writing, we are party to more ongoing dialogs than ever, including with a number of merchants that could make a significant contribution to Qliro's total payment volumes. We remain optimistic about developments looking ahead, and look forward to new successful collaborations alongside several of Sweden's leading e-merchants.

In 2023, we signed agreements with several new Enterprise merchants, including Proteinbolaget. We also had the pleasure of extending our collaboration with Nelly in terms of increased Pay Now volumes. The agreement was made possible by the launch of Unified Payments, and provides important confirmation of the strong confidence shown in us by one of the company's biggest merchants. After year end, we also had the pleasure of announcing a new agreement with Skruvat Reservdelar and Bythjul with expected annual payment volumes of over SEK 1 billion. In total, we signed contracts with e-merchants expected to increase annual payment volume by over 10 percent, which have not yet been onboarded on Qliro's platform.

Nordic expansion

In order to meet the growing demand for flexible payment options, and to expand our presence in the Nordics, we decided to increase our local presence to include Norway in 2024. Following a thorough market analysis, we identified Norway as the natural next step. There are several similarities with the Swedish market, for example with regard to consumer use of Pay Later services. We have already taken the first concrete steps on the expansion journey by completing a number of key recruitments. Qliro's Payment Solutions products are already available on all Nordic markets, including our proprietary Pay Later methods. However, we have previously not approached local e-merchants from a commercial perspective. Given the significant advances we made in 2023, we confidently look forward to expanding geographically and establishing Qliro on the Norwegian market.

Digital Banking Services

In Digital Banking Services, income increased by 2 percent to SEK 74 million (72), while lending decreased by 12 percent, to SEK 774 million (879). The improved income margin in the year benefited from higher interest rates. In line with our transformation towards becoming a focused payments provider, we terminated direct e-mail marketing to end consumers in 2022, which explains the reduced lending. This trend is expected to continue in 2024 as a result of our updated strategy and focus on Payment Solutions. In Digital Banking Services, we intend to continue to deliver a great customer experience to existing customers, while simultaneously optimizing operations to ensure profitability and increase risk-adjusted income margins.

Outlook

2023 was a successful year with several milestones reached in line with our strategic plan, and our transformation towards offering an optimized experience for e-merchants and their customer journey on the market. The launch of the Unified Payments service was an important milestone, alongside several significant product improvements that support our long-term vision.

Despite the challenges faced by e-commerce operations in the year, we successfully realigned our operations to ensure profitability, strengthened our team, launched new products, and delivered on our financial targets. We look forward to continuing to drive growth in Payment Solution and to welcome even more merchants to Qliro's platform.

To conclude, I would like to thank all our merchants, employees, shareholders and collaboration partners for their contribution to Qliro's success in 2023. Together, we continue to realize the vision that Qliro was originally founded on; being a payment provider by e-merchants for e-merchants.

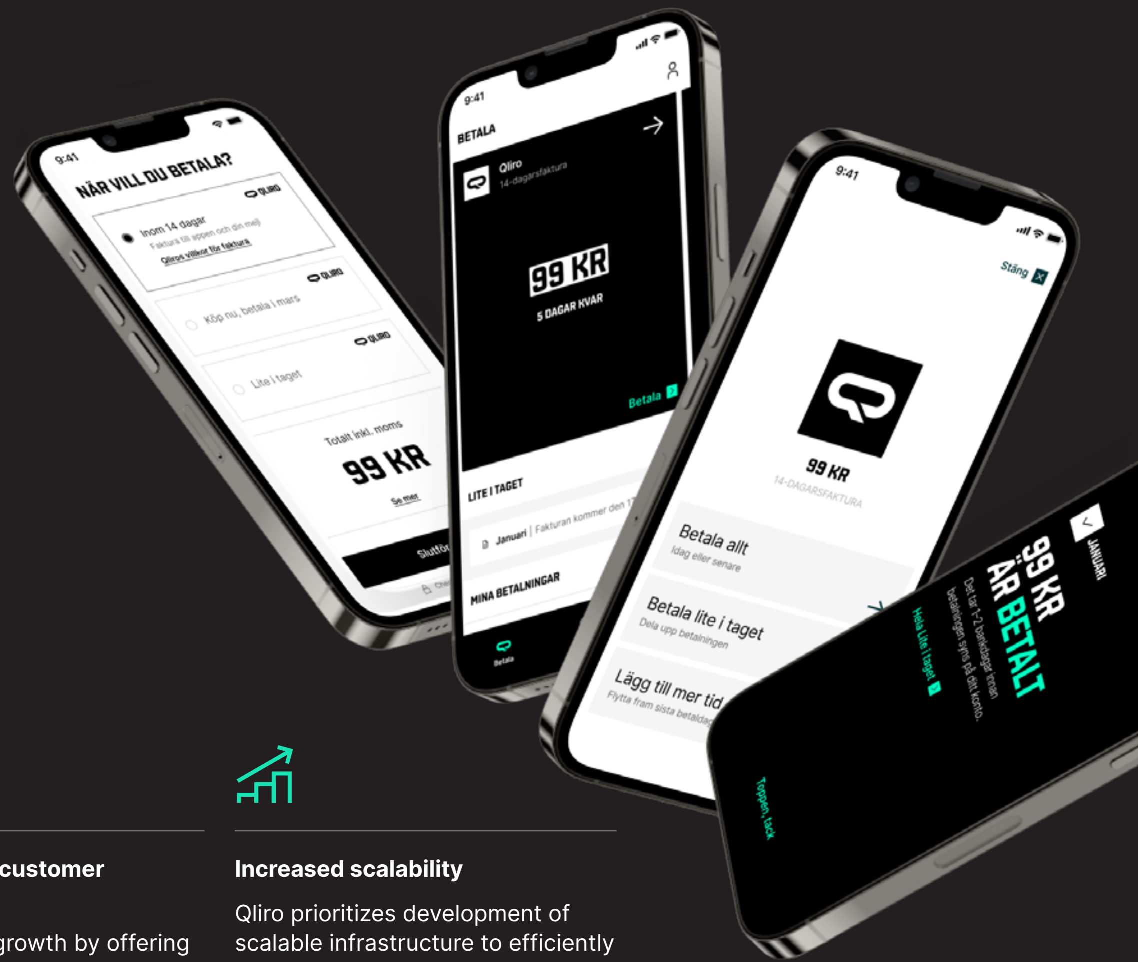
Christoffer Rutgersson
CEO

»QLIRO'S MISSION IS TO DELIVER A WORLD-CLASS EXPERIENCE TO E-MERCHANTS AND THEIR CUSTOMERS.«

Secure and simple e-commerce payment solutions

STRATEGIC FOCUS

By providing a world-class payment experience to e-merchants and their customers Qliro will increase its global market share.



Expansion in Enterprise & SME

From a historic focus on large e-merchants, Qliro intends to accelerate its expansion in the Enterprise & SME segments. This will primarily take place through a flexible product offering and intensified sales initiatives.

Geographical expansion

With capacity to manage payments on over 30 markets and a checkout solution available in eight different languages, Qliro see positive growth potential in the Nordics and beyond. Expansion into Norway in 2024.

Unified Payments

With the launch of the complete offering Unified Payments, Qliro improves the payment experience for its e-merchants.
The service also enables the company to capitalize on Pay Now volumes more effectively.

Value for e-merchants

Qliro develops innovative solutions intended to support growth and profitability in existing merchants' operations. These initiatives focus on increased conversion, upsell and customer satisfaction.

#1

Market-leading customer experience

Qliro strives for growth by offering the market's leading payment experience for both e-merchants and consumers. This is achieved by a convenient checkout process for consumers and, for merchants, through a digital customer journey that ensures that customers return to webstore.

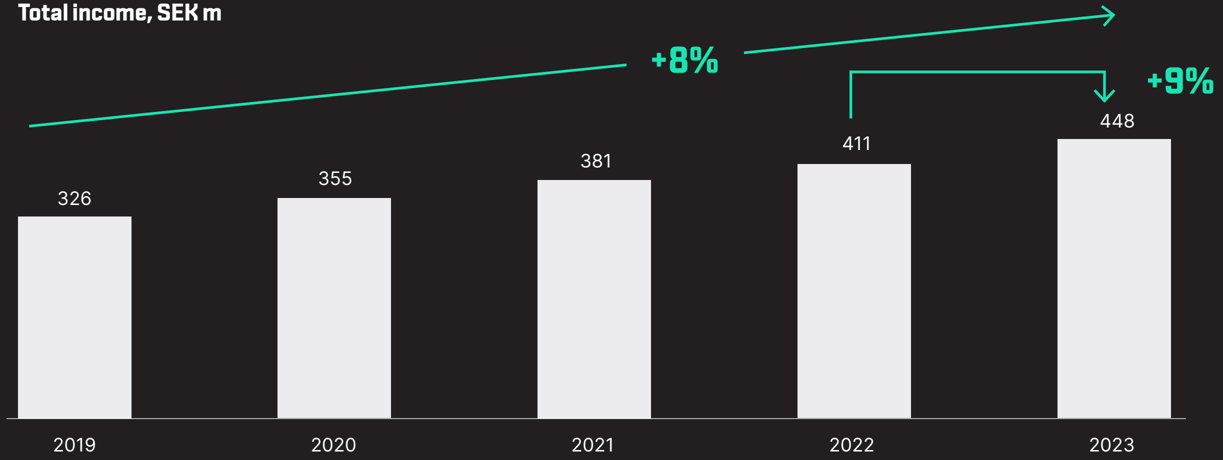
Increased scalability

Qliro prioritizes development of scalable infrastructure to efficiently manage growing demand, which is critical for the company's long-term growth potential. Investment in Qliro's technology platform ensures the company's potential for rapid expansion.

Focus shifts from growth to sustainable, profitable growth

QLIRO'S GROWTH JOURNEY

Total income, SEK m



Milestones 2023

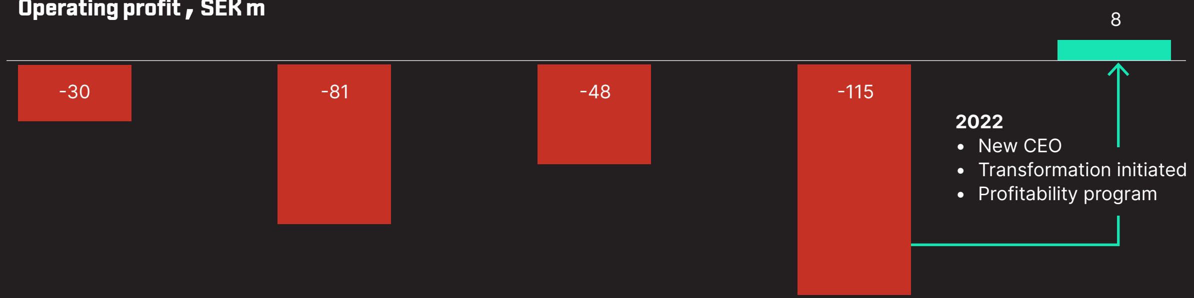
- New merchants on Qliro's platform +29% 2023
- Signed agreement and went live with Proteinbolaget
- Extended and deepened partnership with Nelly
- New agreement with Skruvat, Bythjul with SEK >1 billion total payment volumes.

Growth despite general market downturn -9% and -8% according to the Swedish Trade Federation's e-commerce indicator 2022–2023.

Scalable growth

- Increased focus on e-merchants and their customers.
- Improved payment experience and capitalisation through Unified Payments.
- Acceleration in both Enterprise & SME.
- Geographical expansion, starting in Norway in 2024.
- Integration of more partnerships for increased value creation.
- Development of Qliro's composable platform and payment products.

Operating profit , SEK m



2022

- New CEO
- Transformation initiated
- Profitability program

Operating profit improved by SEK +123.7 million

2023

- New team
- Operational excellence
- Updated strategy focusing on Payment Solutions

Scalable platform for profitability

- Continued cost control improves margins.
- Investments in automation, rationalizations and digitalization to improve scalability.
- Investments in credit analysis, tools and modernized balanced score cards to reduce credit losses.

Qliro's product strategy

VALUE CREATION FOR E-MERCHANTS

1. MARKET-LEADING CONVERSION IN QLIRO CHECKOUT

2. UPSELL INCREASES ORDER VALUE

3. CREATE LOYAL AND RETURNING CUSTOMERS

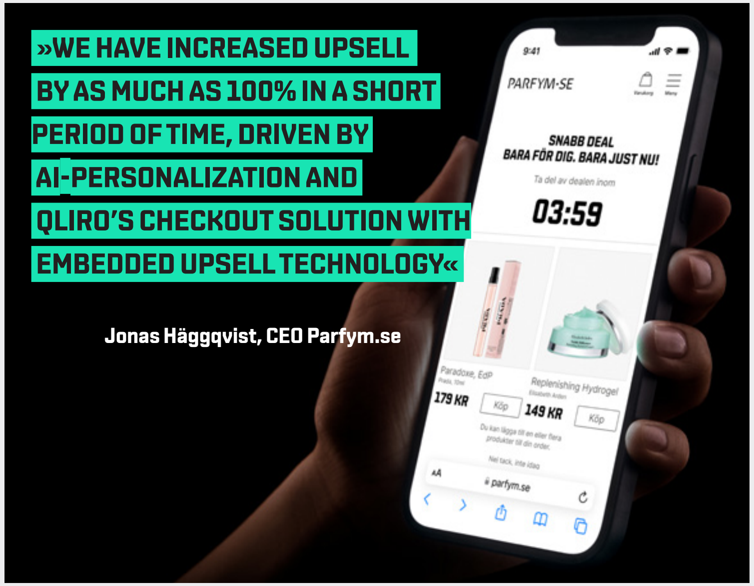
Guide customers back to original e-merchant again and again

Case: Upsell in Qliro's checkout

HOW PARFYM.SE INCREASED UPSELL BY 100%

Parfym.se is one of the Nordics' largest e-merchants in beauty products. The merchant was the first to combine Qliro's market-leading checkout solution with unique upsell functionality and SiftLabs' AI-driven conversion tools, which has added significant value and led to immediate positive results.

Problem
Qliro's e-merchant Parfym.se was looking for a more efficient way of improving the accuracy of product recommendations to customers with the aim of increasing conversion and order value. For a long time, the merchant had relied on traditional and manual methods, and had decided to investigate a range of options.



Solution
Through Qliro's new partnership with SiftLab, a leading Swedish operator in personalized AI-solutions for e-commerce, Parfym.se now benefits from AI-generated product recommendations in Qliro's unique upsell module, thus achieving significantly better results. The work goes beyond just generating increased sales – it is also about creating a superior customer experience and building stronger customer loyalty.

Results
The implementation of intelligent product recommendations has yielded immediate positive results. Upsell (in SEK) after an order is placed in Qliro's Checkout with the Sift Lab solution increased by 100 percent. In just a few days the upsell conversion rate also increased from 1.2 to 2.6 percent, corresponding to growth of 117 percent.

"Our partnership with Qliro and Sift Lab has demonstrated clear commercial synergies. Business development and optimizing the checkout process has allowed us to increase upsell by as much as 100% in a short period of time, driven by AI-personalization and Qliro's checkout solution with embedded upsell technology. The technology has not only improved our gross margin, but also offset costs. Because the final customer interaction takes place at checkout it is critical to offer a seamless and tailor-made customer experience that maximizes order value," Jonas Häggqvist, CEO of Parfym.se explains.

About the collaboration
The partnership between Qliro and Sift Lab progressed following successful customer testing, where data-driven product recommendations resulted in significantly increased conversion rates. The initiative is part of Qliro's product strategy, which aims to help e-merchants increase sales by optimizing conversion at checkout, boost upsell and build customer loyalty by offering innovative digital payment solutions. The collaboration was announced on October 12, 2023.

100%
Increase in upsell
Increase in upsell after an order has been placed due to Qliro Checkout and Sift Lab.

117%
Conversion of upsell
Conversion rate for upsell increased from 1.2% to 2.6%.

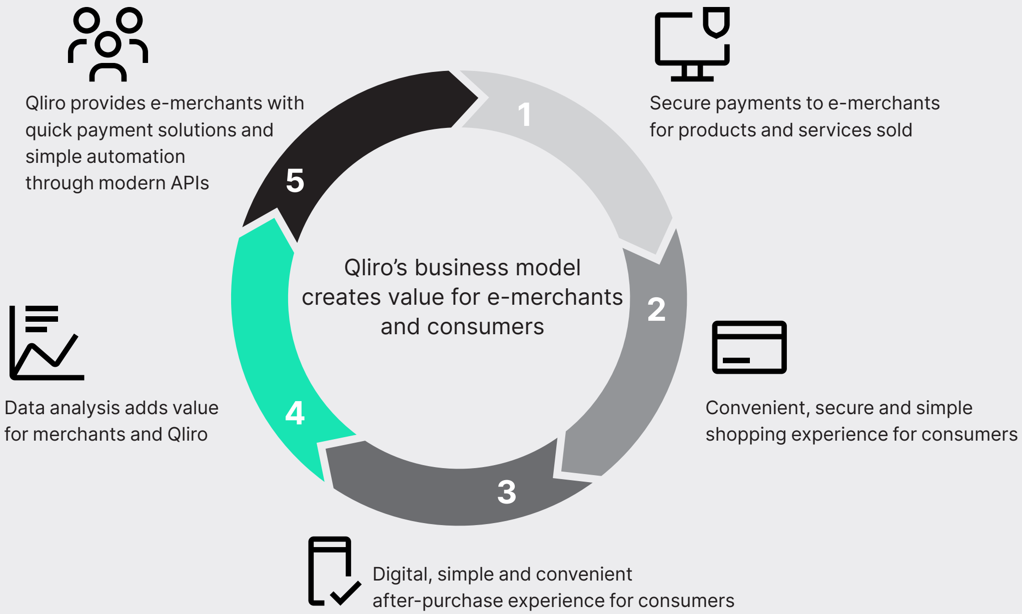
<3
Improved customer experience and customer satisfaction

Business model

Qliro's business model – more than just payments

Qliro's checkout solution is designed to be simple and convenient to use for consumers, and simultaneously scalable and easily adaptable to the specific needs and wishes of e-merchants.

Supported by its expertise in e-commerce and data-driven platform, Qliro has created a business model that offers merchants the opportunity to increase sales and profitability, at the same time as transaction and credit risk decrease.



1. Qliro attracts e-merchants with its flexible checkout solution. In addition to high operational reliability, Qliro offers checkout functionality for:
   - Increased conversion, e.g. through automatically populated information and payment fields, plus technology that shows the individual's preferred payment method.
   - Increased sales, such as data and AI-based product recommendations and functionality for upsell after completed purchase.
   - Creating loyal and returning customers, through a simplified and personalized checkout experience, for example.
   - Flexible design and extensive flexibility in the configuration of delivery and payment options, plus finished integrations for leading e-commerce platforms.
2. When customers shop with an e-merchant connected to Qliro, it offers a convenient, secure and simple buying experience and provides several different payment options. Qliro's flexible payment methods provide protection for the customer, as the customer is offered the opportunity to pay after the goods are delivered. This is where a majority of Qliro's income is generated in the Payment Solutions segment.
3. Customers complete transactions and manage payments directly with e-merchants or in Qliro's digital applications. The platforms enable customers to link bank accounts for payment, part payment, activate reminders, pause payment in the case of a return, and change the payment date or payment method.
4. Advanced analysis and machine learning relating to transactions and digital interactions is carried out on Qliro's data platform, which supports e-merchants with valuable data-driven insights. The platform can handle large volumes of internal and external data in real time, to use for credit checks and pricing, for example.
5. Qliro's e-merchants can receive payment faster and more securely as Qliro assumes both the credit and fraud risk from the consumer. In addition, Qliro handles order processing, returns, complaints and accounting in through the automation provided in Qliro's flexible and modern API.

Market and trends

Over the past year, Qliro's clear strategic focus and vision have strengthened the company's position as a leading provider of payment solutions to rapidly expanding e-merchants. The company is active on a market characterized by rapid technological progress, and accelerating demand for an adapted and friction-free payment experience.

E-commerce has undergone significant growth over the past decade, and the sector expanded further during the pandemic to reach new record levels. In 2023, the trend was was complex, with significant variations between sectors and prices affected by rising inflation. According to the Swedish Trade Federation's e-commerce indicator, total sales in Sweden decreased by 8 percent to SEK 144 billion as a result of lower disposable income. Despite the downturn, consumer interest in e-commerce remained strong. Close to 70 percent of the Swedish population did their shopping online each month.

Qliro's income increased on a changing market

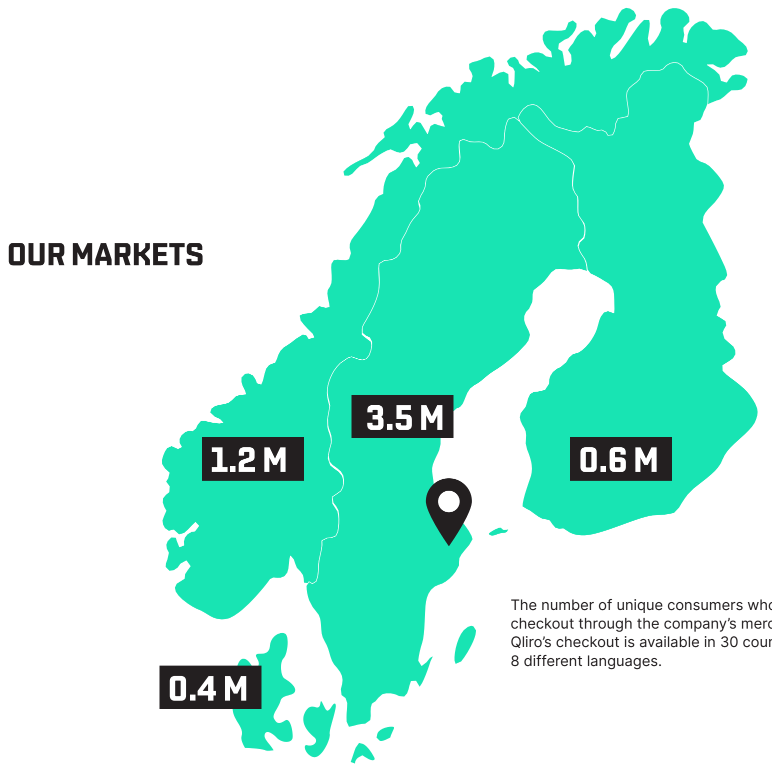
In 2023, the market as a whole contracted by 8 percent, while Qliro's payment volume only decreased by 2 percent to SEK 11.9 billion. At the same time, the company's total income increased by 9 percent to SEK 449 million as a result of growing interest in the company's Payment Solutions products. The reduced payment volume was attributable to an ongoing sector shift, where merchants are sharpening their focus on profitability, which has led to reduced campaign activity in the year.

Profitability focus generates business opportunities

At a pace with this change, Qliro has noted that a growing proportion of e-merchants are taking the opportunity to evaluate technical infrastructure to ensure efficiency, improve control over the customer journey, and avoid exposure to competing offerings. This creates opportunities for Qliro, whose new strategic focus is based on the needs of e-merchants and their customer journey. By offering tailor-made solutions and adapting to the needs of e-merchants, Qliro can strengthen its market position and stand well equipped to meet the challenges and opportunities that a changing market landscape brings.

Increased BNPL growth drives income

At Qliro, the use of direct payments (Pay Now) increased by 7 percent while payments after purchase (Pay Later) volumes decreased by a total of 15 percent. The product sub-category "Buy now, pay later" (BNPL) within Pay Later increased by 3 percent, making a positive contribution to Qliro's income in the year. This payment option is the company's most profitable, and reflects the growing popularity of flexible payment solutions in favor of invoicing, which decreased by 15 percent in the year.



The number of unique consumers who used Qliro's checkout through the company's merchants in 2023. Qliro's checkout is available in 30 countries and in 8 different languages.

Strong growth in BNPL

In addition to an increased proportion of direct payments, the progress of BNPL shadows a bigger trend. The payment method has increased significantly in popularity in recent years as a result of its high level of user-friendliness. The payment method is advancing rapidly throughout Europe, with average annual growth (CAGR) of 11 percent in the period 2023–2028. According to Worldpay's Global Payments Report 2023, Sweden has the highest penetration of BNPL globally.

E-commerce accelerating globally

Despite the general slowdown in e-commerce following the pandemic, the report *Winning Formulas for E-Commerce Growth* published by Boston Consulting Group shows that global e-commerce is expected to achieve 9 percent average annual growth (CAGR) by 2027, more than double the expected growth in physical retailing. In the same year, e-commerce is expected to generate 41 percent of total global retail sales - an increase from only 18 percent in 2017.

Five-year overview

SEK million	2023	2022	2021	2020	2019
Income statement					
Net interest income [1]	272.0	238.5	222.9	205.0	170.2
Net commission income [1] [4]	176.8	175.8	159.3	149.0	155.7
Other operating income	–0.3	–3.4	–1.1	1.3	0.1
Total operating income[1][4]	448.5	410.9	381.1	355.3	326.1
Total expenses before credit losses	–318.6	–410.3	–365.2	–352.1	–298.7
Profit/loss before credit losses[4]	129.9	0.6	15.9	3.3	27.4
Net credit losses[1] [4]	–121.7	–116.1	–64.2	–84.3	–57.4
Operating profit	8.2	–115.5	–48.3	–81.1	–30.0
Income tax expense	–4.1	22.0	8.4	14.1	6.2
Profit/loss for the year	**4.1**	**–93.5**	**–39.9**	**–67.0**	**–23.8**
Balance Sheet					
Bonds and other fixed-income securities	616.1	293.6	354.0	290.1	255.0
Lending to credit institutions	101.0	900.6	57.5	155.1	240.2
Lending to the public [1]	2,612.5	2,686.6	2,758.9	2,460.3	2,070.4
Property, plant and equipment and intangible assets	215.5	182.6	196.6	194.3	219.5
Other assets	149.8	141.4	107.0	95.6	93.4
Total assets	**3,694.9**	**4,204.9**	**3,474.0**	**3,195.3**	**2,878.5**
Liabilities to credit institutions	–	–	452.2	215.0	292.4
Deposits from the public	2,950.9	3,320.5	2,231.0	2,132.9	1,819.1
Other liabilities	163.8	313.9	142.7	159.4	139.1
Subordinated liabilities	100.0	100.0	100.0	100.0	100.0
Equity	480.2	470.5	548.1	588.0	528.0
Total liabilities and equity	**3,694.9**	**4,204.9**	**3,474.0**	**3,195.3**	**2,878.5**

Key performance measures	2023	2022	2021	2020	2019
Earnings per share before and after dilution, SEK	0.22	–4.90	–2.22	–3.73	–1.32
Operating income margin, %[1] [4]	16.9%	15.1%	14.6%	15.7%	18.3%
Cost/income ratio, %[1] [4]	71.0%	99.9%	95.8%	99.1%	91.6%
Cost/income ratio excl. depreciation, % [1] [4]	54.7%	74.2%	70.6%	70.5%	72.2%
Return on equity, % [1] [4]	0.9%	–18.4%	–7.0%	–12.0%	–5.1%
Credit loss level, %)[1][4]	4.6%	4.3%	2.5%	3.7%	3.2%
Average number of employees	188	181	208	198	199

Key performance measures	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Own funds, SEK m	479.7	439.1	541.9	598.7	383.9
CET 1 capital ratio, % [3]	15.6%	13.2%	18.2%	22.4%	15.5%
Total capital ratio, % [3]	19.7%	17.1%	22.4%	26.8%	17.8%
Liquidity coverage ratio (LCR), % [3]	508.0%	239.0%	364.0%	448.0%	374.0%
Pay-after-delivery volume, SEK m [2]	6,037	6,581	7,125	6,221	5,325
Number of connected merchants[2]	75	58	50	46	38

1) Alternative performance measures used by management and analysts to evaluate the company's progress not specified or defined in IFRS or other applicable regulatory frameworks. For definitions see pages 103–104.
2) Operating performance measures. For definitions see pages 104–105.
3) Other key performance measures. For definitions see page 105.
4) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. In 2022, the figure was SEK 18.0 million, 2021: SEK 17.7 million, 2020: SEK 18.2 million and 2019: SEK 16.0 million.

SUSTAINABILITY REPORT

Sustainability is high on Qliro's agenda and we are increasing our commitment and social responsibility as we expand. Alongside our employees, connected merchants, customers and owners, we work strategically to drive progress towards a more sustainable future. We achieve this by making active decisions about how to care for society and our planet.

Qliro has established procedures for its sustainability work and corporate governance in order to ensure responsible, efficient and transparent operations. We are convinced that our work, focusing on social engagement, business ethics and environmental commitment, creates positive value for Qliro's stakeholders.

We identify the impact we have on the global and social environment, and our sustainability work focuses on three key areas;

- Sustainable e-commerce
- Responsible lending and business practices
- Being an attractive employer

The Sustainability Report for 2023 comprises Qliro AB (publ) and its subsidiaries. This is Qliro's fourth Sustainability Report prepared in accordance with chapters six and seven of the Annual Accounts Act. The Auditor's opinion regarding the statutory Sustainability Report can be found on page 38.

Business model

Qliro is a credit market company under the supervision of the Swedish Financial Supervisory Authority. Sweden is the main market, but Qliro also operates in Norway, Finland and Denmark. Qliro was founded in 2014 and the operations are divided into two business areas: Payment Solutions and Digital Banking Services.

Qliro's payment services ensure that e-merchants receive secure payment for their goods and allow consumers to shop securely online, and pay for their purchases with different direct payment options such as bank card and Swish, or by invoice and installments.

Qliro also provides personal loans to Swedish consumers and savings accounts for Swedish and German consumers.

Sustainability management

Ultimate responsibility for sustainability matters rests with Qliro's Board of Directors, which decides on the strategic direction and establishes Qliro's policy framework and control processes. The CEO is responsible for integrating the sustainability work into operations. Each function is responsible for driving and developing the work within its area.

Selection of Qliro's operational policies that impact sustainability:

- Enterprise Risk Management Policy – sets out the fundamental principles that apply to Qliro's processes and structures with regard to risk management.
- Code of Conduct – contains principles for ethical and responsible behavior at Qliro to contribute to a sound and sustainable financial market, society and environment.
- Conflict of Interest Policy – describes how employees and representatives of Qliro should respond to potential conflicts of interest and similar situations, e.g. gifts and benefits.
- Anti-Money Laundering and Counter-Terrorism Financing Policy – describes the reasoning behind Qliro's measures to prevent money laundering and terrorism financing.
- Credit Policy – describes processes for lending and managing credit risk to ensure sound lending.
- Whistleblower Policy – ensures that Qliro's employees know how to report sensitive issues such as discrimination without risking negative treatment.
- Policy for handling customer issues and complaints – describes how Qliro handles customer complaints.
- Remuneration guidelines for senior executives – adopted by the Annual General Meeting.
- Merchant Policy – fundamental principles and methods applied by Qliro to ensure that new and existing merchants satisfy Qliro's requirements regarding counterparty risk, volume, profitability and ethics.
- Governance Policy – ensures effective internal control and management in accordance with regulatory requirements as well as the internal framework, in order to have effective independent control functions and for the Board's ability to effectively monitor Qliro's operations.

Qliro's most significant risks in this area involve:

- Responsible lending
- Sound business ethics
- Financial crime
- Attractive employer
- Gender equality and diversity

As a regulated credit market company and given the nature of Qliro's business, risk and risk management are natural elements in Qliro's daily operations. To manage risk, Qliro seeks continuously to maintain a positive risk culture, a high level of risk awareness, and a cautious approach to taking risk. The Board of Directors decides on Qliro's risk appetite and has a well-established structure for internal governance and risk management control. All internal control documents adopted by the Board are reviewed and updated annually, or more frequently when necessary. The Board and, according to instructions from the Board, the CEO are responsible for regularly evaluating whether Qliro's overarching risks are monitored and managed effectively and appropriately. The Board has established a committee to support its work – the Risk, Capital, Audit and Compliance Committee ("RCACC") – whose tasks include ensuring that risk taking is well-balanced and controlled, monitoring financial reporting and ensuring that internal control is effective. For more information on the RCACC, see page 41. The company has implemented internal structures, procedures and processes for internal governance in accordance with the Swedish FSA's Regulations and General Guidelines (FFFS 2014:1) regarding governance, risk management and control in credit institutions.

Risk management based on three lines of defense

Qliro's risk management is based on the three lines of defense model. Risks that could materially impact Qliro's strategic, operational, reporting and compliance goals must be managed correctly and adequately. Qliro systematically assesses the risks that the company faces to identify, analyze and evaluate current and potential risks and how they are managed and reported.

This assessment is carried out through the risk management process, which comprises six steps: risk identification, risk analysis, risk assessment, risk management, risk monitoring and reporting.

Qliro's risks and risk management are described in more detail in each focus area and on pages 53–55 in the Directors' Report.

Qliro works with 9 UN Sustainable Development Goals

In addition to following the existing regulatory frameworks that apply on our different markets, Qliro works with 9 of the 17 UN Sustainable Development Goals. The 9 goals we have identified that Qliro is able to impact and contribute to are:

1 INGEN FATTIGDOM

Qliro contributes financially to an aid organization focused on fighting child poverty. The organization supports children in deprived areas by promoting safety, freedom, influence, improved health and access to education.

3 HÄLSA OCH VÄLBEFINNANDE

Qliro takes responsibility for individuals and society by providing a safe and healthy working environment. Extensive routines and processes, and relevant HSEQ training, ensures Qliro's commitment to sustainable development and social responsibility.

5 JÄMSTÄLLDHET

Qliro promotes gender equality with equal opportunities for women and men. This implies a fair distribution of power, influence and resources. We are committed to developing a sustainable culture and workplace distinguished by gender equality, equal terms and diversity.

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT

Qliro contributes to more sustainable growth and stable job opportunities by being a safe employer. This includes safeguarding employment, salaries and training opportunities. We also strive to support our collaboration partners' operations, while our payment solutions promote sustainable economic growth on our markets.

9 HÅLLBAR INDUSTRI, INNOVATIONER OCH INFRASTRUKTUR

We work to be inclusive, sustainable and to meet the challenges facing humans and the planet. We consider innovation and technological advances key to finding sustainable solutions to financial and environmental challenges. In our development of new products and services, we involve Qliro's Compliance and Legal functions at an early stage in order to ensure regulatory compliance and the necessary processes and controls.

10 MINSKAD OJÄMLIKHET

Qliro works to reduce inequalities and to ensure that no one is left out. We are committed to creating an equal society where everyone has equal rights and opportunities regardless of financial or social status, based on the principle of the equal value of all humans regardless of sex, ethnicity, religion, disability, age or other status.

12 HÅLLBAR KONSUMTION OCH PRODUKTION

Qliro offers responsible and sustainable lending through credit checks and processes that ensure good repayment capacity and prevent excessive debt. We also implement environmentally friendly recycling and reuse products and waste.

13 BEKÄMPA KLIMATFÖRÄNDRINGARNA

Despite Qliro being a minor operator in global terms with limited direct climate impact, we actively seek to educate and increase awareness of climate issues. We believe that our role as an intermediary between e-merchants and consumers in the Nordics provides us with the opportunity to drive change towards a more sustainable future.

16 FREDLIGA OCH INKLUDERANDE SAMHÄLLEN

Qliro strictly follows regulatory guidelines and requirements aimed at fighting organized crime, money laundering and financing of terrorist activity.

FOCUS AREA 1

Sustainable e-commerce and reduced climate impact

Contributing to reduced climate impact is a high priority for Qliro. We work actively to reduce our greenhouse gas emissions. Even if we are a minor operator that is unable to control the entire value chain, we seek to drive change towards a more sustainable future by making conscious choices in our day-to-day operations.

Climate impact and initiatives in day-to-day operations

As a digital company active in payment solutions and financial services, Qliro's main environmental impact is derived from its offices, data centers and business travel, which are prioritized areas in our day-to-day operations.

Over the past year, we prioritized addressing our climate impact, and completed a major project aimed at reducing paper use, both internally and by our customers. This resulted in an impressive reduction in paper consumption of 39 percent. This is a result that we are continuing to build on and improve, with the goal of reducing our climate footprint further.

We have also actively chosen to reduce our use of data centers and almost halved our office space between 2022 and 2023. This has had a positive impact as we successfully reduced our consumption of heating, cooling and electricity in 2023. In the office, we actively strive to reduce our environmental impact by reducing our use of white goods, replacing furniture with second hand items, and reusing or selling machines and electronic equipment. This allows us to extend the lifespan of products and save planetary resources.

During the year, we also provided staff training and challenged ourselves in our management of garbage and waste. Our offices now provide facilities for sorting food waste, plastic, paper, glass, metal, and hazardous waste such as lamps and batteries. We continue to prioritize vegetarian options and to use organic, Svanen-marked and Fairtrade-certified products.

In 2023, Qliro revised its travel policy to meet growing demand for business travel in line with our expansion. Given the increase in travel compared to 2022, we are highlighting the importance of responsible travel to our employees clearly. This includes prioritizing train travel over air travel, and choosing public transport over journeys by taxi or car.

Energy consumption

All electricity used in Qliro's operations is derived from 100 percent renewable sources. Our data centers are operated by hydropower and the building where Qliro's offices are located is BREEAM-certified at level 4 of 6, implying very high environmental performance. BREEAM-certification originated in the UK and is the most widely used system for environmental certification in Europe, measuring a property's environmental performance in a number of areas.

kWh	2023	2022[1]
Property energy – share of property	80,344	130,000
Heat consumption – share of property	34,717	41,800
Cooling consumption – share of property	5,243	15,438
Electricity consumption - data centers	128,394	198,442
Electricity consumption - share of property	40,385	72,675
Total energy consumption	**289,083**	**458,355**

1) New table compared to 2022, resulting in variations in kWh consumption compared to previously reported figures for 2022.

Waste and recycling

Our goal is to make recycling and waste management easy and to ensure it is done correctly. Qliro's offices provide clearly marked stations for various types of recycling: Hazardous waste currently consists of fluorescent lamps, batteries and electronics, while non-hazardous waste consists of cardboard, paper and plastics. Since the beginning of the year, we have also prioritized food waste to contribute to production of biofuel. In order to ensure the correct handling of hazardous waste and recycling of materials, Qliro has chosen two suppliers that offer transparency and insight into the management of the materials processed.

In 2023, Qliro saved over 2.7 metric tonnes CO_2 by recycling various types of material. This figure was lower than in 2022, mainly due to increased internal reuse of electronic waste and other materials. This reflects our active efforts to reduce the use of paper in order to save planetary resources, and promote a more sustainable and digital future.

Kg	2023	2022
Total weight, hazardous waste	212	596
Total weight, non-hazardous waste reused/recycled	5,278	6,458

Travel

During the year, Qliro updated its travel policy guidelines, which form part of the personnel handbook. This was due to the increased need for physical meetings with existing and potential customers and partners. The changes introduced increased the emphasis on traveling more responsibly. This includes prioritizing train travel over air travel, public transport over journeys by taxi or car, and the continued recommendation to prioritize online meetings and video conferencing.

Ambitions and results in 2023

In 2023, Qliro continued to actively reduce its climate footprint and impact. To summarize, our efforts have yielded significant effects, including a reduction in our use of data centers and reduced office space. This resulted in reduced consumption of electricity, heating and cooling. In addition, our project aimed at reducing paper use, both internally and externally by our customers, led to a reduction of 39 percent in paper consumption. This is an area that we will continue to prioritize over the coming years.

In addition, we also actively participated in initiatives aimed at offering support to disaster zones, such as refugee camps in Gaza and other vulnerable regions. This is a obvious choice for us as we strongly value the importance of a safe environment for the children of the world.

Ambitions 2024

Qliro's ambition is to accelerate its contribution to realizing a more sustainable society for humans, the planet and general welfare each year. Qliro works actively to extern an influence across all dimensions: financial, social and environmental.

As a result of our environmental initiatives aimed at reducing paper use, which started in 2022 and continued throughout 2023, we will urge our customers and suppliers to reduce paper consumption during 2024. Qliro takes increased responsibility for this by promoting digital services as part of our overall goal of digitizing a large proportion of our communication.

We retain a high level of ambition regarding our climate footprint, and strive to educate and develop our employees competencies on matters relating to Qliro's climate impact. Qliro also has the ambition of further reducing its use of data centers, shifting towards becoming even more cloud based. We also continue to complete various other initiatives aimed at creating a safer world.

During 2024, Qliro will lead initiatives and participate in new networks in the e-commerce sector, where we are driving progress towards a more sustainable future alongside other e-merchants.

FOCUS AREA 2

Responsible business and lending

Qliro's main business consists of offering e-merchants in the Nordics a flexible and secure payment solution. The solution also includes modern payment methods offered through partners as well as Qliro's proprietary Pay Later products, such as invoices and paying by installments. Qliro's solution ensures that e-merchants receive payment for their goods and that consumers can shop securely online, and offers flexibility regarding choice of payment method.

Given the nature of Qliro's business, the most important sustainability issues are:

- Responsible lending
- Sound business ethics, anti-corruption and financial crime (including money laundering, terrorist financing and fraud)

Responsible lending

Lending is a key part of Qliro's business and accounts for the majority of income. Lending plays an important role in a functional society and gives consumers the opportunity to increase their purchasing power and spread their expenses over time. As a consumer, borrowing money has a direct impact on your personal finances, and responsible lending means carefully considering these perspectives and ensuring that sufficient information is available to enable well-informed decisions.

Consumer lending is licensed and supervised by the Swedish FSA. In addition to following existing regulatory frameworks and guidelines, Qliro follows the Swedish Bankers' Association Responsible Lending Code. We only offer credit to individuals who we believe can repay their debt. However, there is always a risk that customers, for various reasons, will encounter problems repaying their loans, which is not desirable for the customer, society or us as a lender. This means that responsible lending is the most obvious focus of our sustainability work.

Qliro's responsibility as a lender includes managing and minimizing all material risks associated with lending. The most material risks relating to responsible lending can be divided into three areas, where Qliro works actively;

- Insufficient repayment capacity
- Excessive debt among customers
- Increased indebtedness in society

Internal control, together with robust internal systems and processes, is fundamental.

Credit assessment steps (selection of checks)

Basic checks

For example:

- Age
- Previous late payments
- Customer has been blocked
- Limits
- Purpose of loan

External information

For example:

- Country of residence
- Address
- Deceased

Internal risk forecasts

- Internal scoring

Credit check

For example:

- A or E targets
- External debts in default
- Risk forecasts
- Income
- Inquiry history
- Debt situation

Affordability calculation

- Affordability calculation based on customer input, bureau data, and/or standard values.

Verifications

- Income
- Certificate of employment
- Consolidation
- ID (if UC has information about stolen ID)

Checks depend on a number of criteria, such as applied amount and previous history with Qliro
For example: An invoiced purchase of SEK 100 is not subject to the same level of assessment as a personal loan of SEK 500,000.

Robust credit checks identify insufficient repayment capacity

A credit check is completed for all purchases made using Qliro's Pay Later products, regardless of size and duration. The purpose of the credit check is to assess and analyze the risk that the customer is unable to fulfill their obligations. This allows creditworthy customers to use all of Qliro's payment options, while customers with an increased risk of insolvency are referred to direct payment alternatives.

Qliro's credit assessment is a data-driven, integrated process supported and complemented by internal expertise. Qliro uses score cards and applies regulations to make the credit risk assessment as precise as possible, and the score cards are continuously developed to improve credit score precision.

In e-commerce transactions consumers need immediate answers to their credit inquiries. This places high demands on Qliro's infrastructure, processes and data quality. Ahead of a credit assessment, data is obtained from external credit agencies and then combined with internal transaction- and customer-specific data points. The fact that the credit assessment is point-in-time, in connection with each individual application, helps Qliro to obtain an optimized ad up-to-date understanding of the customer's financial position, which contributes to increased precision.

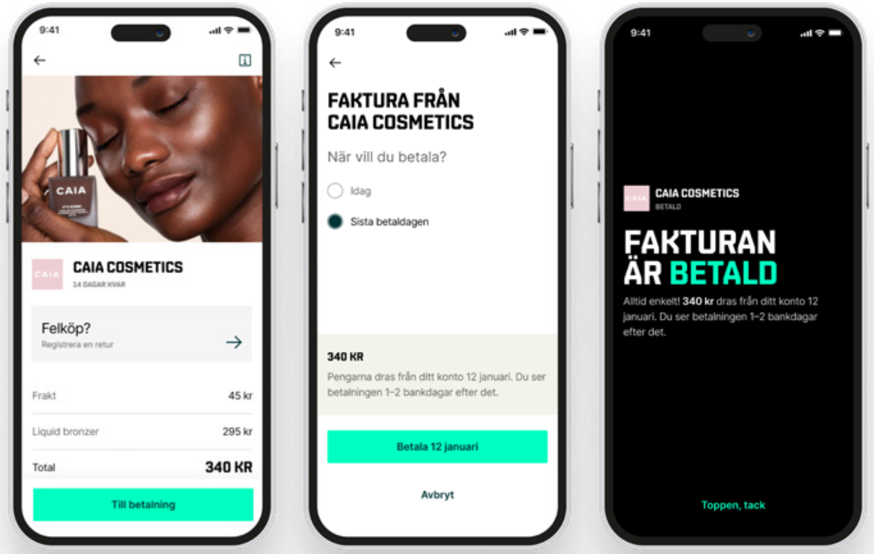
Private loans are only offered in Sweden subject to a maximum amount for any individual borrower of SEK 200,000. The credit assessment process for private loans involves a similar procedure using score cards and regulations as for the Pay Later products, and a new credit assessment takes place in connection with every application. Considering the, on average, higher loan amounts, further manual checks are also carried out before approval and payment.

Sustainable and sound lending

In addition to reducing the risk of insolvency, the aim of Qliro's assessments and processing is to ensure sustainable and sound lending practices that contribute to avoiding excessive debt. Qliro gathers data from public debt registers and uses calculations that show remaining living expenses in order to offset this risk. Furthermore, Qliro applies strict rejection criteria and limits that ensure that particularly vulnerable segments are not granted credit, regardless of credit risk.

Qliro works actively to avoid its existing customers becoming insolvent. Customers that fail to make payments in accordance with the terms and conditions are monitored and managed with internal resources. Such management includes customer contacts through a range of different channels, such as the mobile app, push notifications, text message, email and/or by telephone. Development of digital functions and the app are important factors that facilitate for Qliro's customers to pay on time. The app includes the option to connect to a bank account in order to make payments, while a pre-selection option ensures that bank payments are always made on the due date. There is also an option to delay the payment date for invoices by another ten days directly in the app. If a customer is temporarily struggling to make repayments, there are established guidelines for managing this to avoid unnecessary unpaid and overdue credits, e.g., by granting a payment-free month.

Qliro's personal loans are primarily marketed through Qliro's digital channels, which means that Qliro knows its customers well, since more than 95 percent of all personal loan customers are previous Pay Later customers. Qliro's database for purchasing history and Pay Later payment patterns provides critical information for making responsible credit checks for personal loans.



By developing intuitive digital services for its app, Qliro makes it easy for customers to manage their payments and reduces the risk that they will make a late payment.

Helping avoid increased indebtedness in society

For several years, Qliro has reported debt levels and delinquency to public debt and default registers. This contributes to ensuring credit market transparency, which allows connected lenders to protect consumers from excessive debt in other contexts. This allows Qliro to contribute to shared records of indebtedness, and consequently to avoiding excessive debt in society as a whole.

Progress in 2023

In 2023, Qliro worked towards ensuring more responsible lending in a number of ways. Important steps were taken to make it easier for Qliro's customers to make their payments on time. For example, continued development of digital functionality and information provision in Qliro's app has taken place. Qliro increased its capacity for managing customers with an increased risk of becoming insolvent.

The private loan product has undergone a number of changes to adapt it to the current macroeconomic situation. The maximum amount offered for private loans has been reduced from SEK 500,000 to SEK 200,000, and creditworthiness requirements have become more stringent. Furthermore, Qliro has calibrated its internal credit loss reserve models in order to increase the accuracy of the estimated credit risk in the portfolio.

Combating corruption, money laundering and financing of terrorism

Qliro has zero tolerance for corruption, money laundering and financing of terrorism. Corruption poses serious legal and reputational risks. Qliro is exposed to corruption through risks such as fraud, money laundering, financing of terrorism, bribery and conflicts of interest. Qliro's anti-corruption work is based on the company's internal policy documents. Combating all forms of corruption is an extremely high priority, and alongside the rest of management, the CEO has overarching responsibility for carrying out preventative work and ensuring that the right resources, processes and control systems are in place. As a credit institution in accordance with LBF, Qliro is subject to the Act on Measures against Money Laundering and Terrorist Financing (2009:62) and must, before a business relationship is established with a customer, follow Know Your Customer (KYC) procedures to identify the customer and assess the risks associated with the customer. Continuous KYC, including transactions made by customers, is necessary to identify any suspicious activity that could entail money laundering or terrorism financing. Qliro will decline transactions that the company suspects, or has reasonable grounds to suspect, may involve money laundering or financing of terrorism. Qliro has adopted internal policy documents and procedures to comply with the Act on Measures against Money Laundering and Terrorist Financing and associated stipulations.

Policies governing this area include:

- Code of Conduct – contains principles for ethical and responsible behavior.
- Conflict of Interest Policy – describes how employees and representatives of Qliro should respond to potential conflicts of interest.
- Anti-Money Laundering and Counter-Terrorism Financing Policy – describes the reasoning behind Qliro's measures to prevent money laundering and terrorism financing.
- Whistleblower Policy – ensures that Qliro's employees can and know how to report sensitive issues such as discrimination without the risk that it could lead to negative treatment.
- Merchant Policy – fundamental principles and methods Qliro uses to ensure that all merchants, both new and existing, meet Qliro's requirements regarding counterparty risk, volume, profitability and ethics.
- Governance Policy – ensures effective internal control and management in accordance with regulatory requirements as well as the internal framework, in order to have effective and independent control functions and for the Board's ability to effectively monitor Qliro's operations.

Code of Conduct

Qliro's Code of Conduct and guidelines are fundamental and cover all employees, senior management and Board members. All employees have access to the Code of Conduct through Qliro's intranet, and the Code forms part of mandatory training that all employees are required to undertake. Qliro has three levels of control functions, the three lines of defense, to manage corruption risks and ensure that Qliro does business and enters into business relationships on the basis of value creation and on ethical grounds. For more information on current lines of defense, see page 55.

The key to this work is to continuously monitor trends, patterns and monetary flows to prevent the business from being exploited for purposes of money laundering and financing of terrorism, for instance. In the event that suspicious patterns and transactions arise, reporting routines are in place. In collaboration with the Swedish Fintech Association and the Swedish Police Authority, opportunities are available to share experiences and information on money laundering and fraud in the banking sector.

It is critical that employees are aware of the risk of corruption and the reporting routines that are used. Accordingly, it is a priority to continuously educate employees on how corruption can be combated and provide them with skills that make it easier to see the warning signs. A number of online courses are available to provide support and guidance. For example, Qliro offers ten mandatory online courses, five of which are considered especially important, and participation is continuously reported to the Board.

The courses are:
- Qliro's Code of Conduct, which is also included in onboarding for all new employees
- Introduction to data privacy
- Compliance onboarding
- Managing conflicts of interest and anti-corruption
- Risk control awareness

Anonymous whistleblower function

Employees wishing to report improper activity anonymously can use the whistleblower function on Qliro's intranet. This information is also included in mandatory training on Qliro's Code of Conduct.

Customer privacy and information security

On a daily basis, Qliro processes a large volume of personal data on the consumers who use its services. The EU has adopted the General Data Protection Regulation (GDPR, Regulation 2016/679/EU), which governs Qliro's ability to collect, store, share and otherwise process information on consumers. Qliro's compliance with GDPR is also monitored by national data protection authorities. Failure to follow GDPR can lead to extensive financial sanctions for Qliro.

Qliro works continuously to safeguard customer privacy in an effective and robust way. Qliro has established a privacy organization that, together with other expertise, is brought in at an early stage in new processes where personal information is handled to ensure that data is processed legally and that necessary security measures are in place.

All business entails risks, and Qliro is exposed to operational information risks, alongside organizational or product changes that could potentially impact information security. Governance and control are therefore critical minimizing exposure. Proactive risk and incident management ensures a high level of protection of information and assets across all aspects of operations.

It is also essential, with the help of control systems, to identify abnormal transactions and monetary flows, and to adequately manage and monitor internal access levels for processing information and providing services. All Qliro's employees are responsible for reporting incidents in accordance with the relevant instructions. Qliro's information security and risk management function (ISRM) is responsible for publishing the latest versions of policies and guidelines on customer privacy and information security on the intranet for easy access.

FOCUS AREA 3

Attractive employer

Qliro has a high level of ambition with regard to being an attractive employer. Qliro is defined by its results-oriented organization and a modern, diverse and inclusive culture that promotes learning and the health, safety and well-being of our employees. In order to achieve this, performance review and competence development procedures are well established in the organization. Another important foundation of this ambition relates to our shared work environment, which is characterized by showing consideration for each other and sound values.

Diversity

Qliro's ability to attract, develop and retain employees with the right skills is a prerequisite for maintaining a profitable business. When recruiting, Qliro looks for a variety of skills and other qualities in terms of gender, age, etc. A conscious and active recruitment strategy allowed us to successfully compose a management team that includes 44 percent women in 2023, a trend that is also reflected in the high percentage of female managers throughout the organization.

Qliro's corporate language is English, which means that for several years we have been able to provided a workplace that welcomes recent arrivals to Sweden and those who do not speak Swedish. This has contributed to shaping our corporate culture, and allowed us to partake of a range of different perspectives and backgrounds on a daily basis in our processes and work. We have also actively contributed to increasing our diversity further by assisting 25 individuals to come to or remain in Sweden for work. In cases where the employees have moved to Sweden to work for Qliro, the company has covered the costs and provided support both to the individuals in questions and their families. This has contributed to enriching our already multicultural workplace with new perspectives and competencies.

Qliro does not tolerate any form of discrimination or harassment. It is critical to Qliro's success that we are a workplace where a wide range of different views, experiences and backgrounds can contribute safely. Our employees confirm that we have been successful in achieving this by giving us the highest rating in our employee engagement tool Winningtemp with regard to providing a workplace free from discrimination and harassment. In order to ensure this and clarify our expectations as early as possible in the employee journey, all new staff are provided training in our Code of Conduct as part of the onboarding process. This training relates to Qliro's values regarding equal opportunities, diversity and discrimination.

Qliro has a whistleblower function to report acts of discrimination or harassment. This function provides all employees with a way to report violations without fear of repercussions. Employees should also feel assured that reports are handled professionally. The whistleblower policy is available on Qliro's intranet and forms part of mandatory digital Compliance Onboarding Education. All employees are informed of and expected to adhere to Qliro's Code of Conduct.

It clarifies the obligations of employees and covers the following areas:

- Customer relationships
- Colleagues and working environment – including health and safety, human rights, the right to collective bargaining, fair pay, no discrimination by position or profession
- Relationships with suppliers, other business partners and competitors
- External communication and information processing
- Contact with authorities
- Whistleblower function
- Consequences of violating the Code

Working environment

Qliro and its employees are jointly responsible for creating and maintaining a healthy work environment where every employee is appreciated and respected. Qliro follows an Instruction on the working environment, and has established a Committee for the working environment where employees can actively contribute to improving the physical and the psychosocial working environment, as well as employee development. The employee engagement tool shows that Qliro's psychosocial working environment and being a safe organization are aspects of the working environment that are rated highly by employees. This provides us with a good foundation for continuously addressing problems that arise. We also work proactively with employee wellbeing by providing our people with the tools to influence and improve their situation and career with Qliro. This is carried out in quarterly performance reviews, weekly check-ins, clear job descriptions, and the opportunity to provide anonymous feedback in our employee engagement tool. The feedback is actively reviewed and addressed by managers to ensure continuous improvement in the wellbeing of our teams.

Risk management as an attractive employer

Qliro's risks as an employer mainly include:

- Risk of not being seen as an attractive employer
- Risk that gender equality and diversity initiatives are unsuccessful

Qliro is based in Stockholm, Sweden, a location where competition over tech staff is intense. Having highly skilled employees is central to achieving our strategic ambition, and being able to deliver and exceed the expectations of our collaboration partners and customers. Working conditions and compensation help to attract and retain employees, but it is even more important to have sound values and offer an attractive workplace with an inclusive culture where employees have the opportunity to develop and take responsibility. Examples of benefits includes pension, flexible working hours, paid parental leave and wellness allowances. Through our weekly employee engagement tool, we continuously monitor questions relating to engagement, wellbeing, culture and leadership. These measurements serve as catalysts for discussions within and between functions and also provide input on where special measures or improvements may be needed.

Culture and values – crucial for Qliro as an attractive employer
At Qliro, we believe that all employees want to succeed and contribute. We believe that a strong corporate culture will result in greater engagement, higher productivity, increased creativity and more motivated employees. We also believe that it will facilitate cooperation between functions, generate more innovation, and ultimately help us realize our strategy and ensure better results. We have been successful in building this culture, as we had the privilege of welcoming around ten former employees back to Qliro in the year.

We also believe that our values need to be firmly embedded in the organization, as well as useful in the day-to-day work of our staff. Accordingly, in 2023 we involved the entire organization in developing and clarifying our values so they reflect the organization Qliro is and wants to be from 2023 onwards. This means that, based on employee input, we have developed core value statements that specify and provide examples of behaviors that are in line with our values, and will help the individual to become better at their job and make a clear contribution to Qliro's progress. Our values are actively referred to in performance reviews, the day-to-day work, job descriptions and salary reviews in order to clarify the expectations placed on our employees and the tools they can access to take responsibility for their development.

Qliro's values:

COLLABORATION	CURIOSITY	EMPOWER	ACCOUNTABILITY
• I partner up with colleagues, other teams and customers to deliver great results in an effective and efficient way. • I create win-win solutions together with others by embracing and building on their ideas. • I proactively share relevant information in a simple and transparent way. • I never hesitate to give support in order to deliver a great experience for our customers and partners.	• I am curious about Qliro's competitive landscape as well as the challenges and priorities of my colleagues and customers. • I seek both internal and external information to be able to drive improvements. • I test new things, maybe fail, learn, share and make it great next time. • I strive for excellence within in my area to support building Qliro into the greatest company within our industry.	• I celebrate with my colleagues and share our success stories. • I empower my colleagues, teams and merchants to test new things, fail and then help them grow. • I believe in and promote diversity, equality and inclusion. • I provide constructive feedback as often as possible to support personal and professional growth. • I encourage and empower our colleagues and teams to execute at full speed, to reach a state of flow as often as possible.	• I keep myself updated on Qliro's targets and priorities to ensure that what I do aligns with them. • I continuously seek to improve our existing processes and policies, while also ensuring that we adhere to them. • I am the owner of my own development, seizing opportunities available to me. • I ensure that my work contributes to Qliro being perceived as a responsible company. • I take full responsibility for the quality and efficiency of my delivery.

Leadership
Leadership plays a key role in Qliro's efforts to create a successful culture and promote positive behaviors. Our appointed leaders are key to improving performance in their respective areas of responsibility, promoting collaboration within and between functions, and supporting the employees in achieving their full potential.

Some of the many ways Qliro works with leadership include:
- Our leader forum where the organization's formal and informal leaders meet regularly to share information about Qliro's progress as a company, in terms of our strategy and financial targets. We also train managers in processes and leadership, discuss topical subjects and provide networking opportunities and offer team development for our leaders as a distinct group. Our leader forums meet regularly in the form of monthly get-togethers at our offices and over a number of full days at other locations for more focused work several times per year. This structure positive effects on collaboration between the various functions and contributes to supporting internal mobility.
- This represents a strong People function that supports Qliro's leaders and helps them develop their teams in line with what Qliro and the employees need at strategic and operational level.
- Qliro also evaluates leaders annually in a process where leaders receive feedback from their teams and are given the opportunity to self-evaluate. This the forms the basis for a conversation with their line manager and People to determine an individualized development plan for the individual leader over the coming year.

Employeeship
Employeeship is Qliro's way to enable all employees to grow and take responsibility and initiative for their own and Qliro's results, but also to provide the right support for them as individuals. Employeeship is also important because it demonstrates our focus and commitment to everyone who works at Qliro. We are all important for the creation of a successful culture. We work actively with employeeship through the continuous evaluation process with individual employees, which addresses goals, progress, targets and wellbeing in order to ensure that our employees know what is expected of them and have access to the tools they need.

Transparent organization

In order to ensure ownership, participation and accountability, employees must be kept informed of and understand the business. Only then will they make the right decisions, which builds confidence and is key to delivering on other strategic and cultural dimensions.

Some of the ways we build a transparent organization:
- Company information is shared at monthly employee meetings, through brief updates on Slack or via email or on our intranet.
- Brief updates through Slack when Qliro is in the news, in connection with job opportunities, success stories, personal reflections, knowledge sharing, customer feedback, etc.

All employees are encouraged to participate and share information as well as actively seek out information. These updates create engagement and ensures inclusion.

Learning organization

To maximize performance in today's high-speed society, people and organizations have to constantly surpass themselves. We believe that one way to accomplish this is to develop a culture and organization that support continuous learning and the personal development of our employees. Creating a learning organization depends on the other four focus areas. It is a continuous process and is built up over time.

Initiatives in the area:
- Structured customer and merchant feedback to the organization to continuously improve us and our offering.
- Leadership and employeeship training, which are good platforms for creating opportunities for learning, information sharing and collaboration.
- Visualized and discussed our vision for personal development and career building at Qliro, which largely involves learning and personal development.
- Clearly communicated and visualized job rotation as a way to inspire our employees to develop and learn at Qliro.
- All employees are offered a number of digital courses about Qliro. Some of them are mandatory and the results are tracked and reported to the Board of Directors.

Results 2023 in the area Attractive employer

The likelihood of recommending Qliro as an employer (e-NPS) increased from +23 to +30 on average (on a scale from –100 to +100). For the comparative group Swedish tech companies, the e-NPS value averaged +14.

All sub-categories measured in our continuous employee engagement tool show stable results. All categories are above average compared to the comparative group. A new category in the employee engagement tool relates to psychological safety, which is one of the areas where Qliro receives the highest rating from its employees. Our continuous feedback culture and improved incident management contributed to there being no whistleblower incidents reported in the year.

Results of Qliro's employee survey

Scale of 1-10	2023	2022
Leadership	8.3	8.4
Meaningfulness	7.6	7.7
Team cohesion	8.6	8.5
Participation	7.8	8.4
Psychological safety	8.2	-
Total	**7.9**	**7.9**

Ambitions 2024

In 2024, the focus will be on strengthening our leadership and employeeship to enable expansion and scale-up.

Some of our focus areas include:
- Achieving an eNPS of over 30 at company level and continued high results across other dimensions in our employee engagement tool.
- Strengthening the feedback culture that we have started to build through continuous training for our leaders and employees.
- Increase awareness of Qliro's strategy and how all employees are connected to it.
- Strengthen intra-function collaborations.
- Ensure that our processes and culture are adapted to welcome even more international colleagues and facilitate the opening of offices in other countries.
- Continue to ensure that we have a structured, data-driven and unprejudiced recruitment process that attracts the top talent.

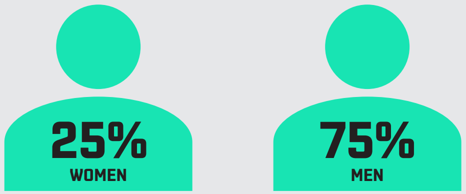
Distribution, average number of employees

2023	Women	Men	Total
Below 30 years old	36	34	70
30–50 years old	55	90	145
Over 50 years old	4	6	10
Total	**95**	**130**	**225**

Distribution, managers

2023	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	15	23	38
Over 50 years old	1	2	3
Total	**16**	**25**	**41**

Distribution, executive management



2023	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	2	5	7
Over 50 years old	0	0	1
Total	**2**	**5**	**8**

Distribution, Board of Directors

2023	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	0	2	2
Over 50 years old	1	2	3
Total	**1**	**4**	**5**

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Qliro AB (publ.),
corporate identity number 556962-2441

Engagement and responsibility
It is the board of directors who is responsible for the sustainability report for the year 2023 on pages 24-37 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion
A statutory sustainability report has been prepared.

Stockholm 18 April 2024
KPMG AB

Mårten Asplund
Authorized Public Accountant

Corporate Governance Report

This report describes Qliro's principles of corporate governance. Qliro is a Swedish public fintech company. The Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Swedish Code of Corporate Governance ("the Code"). Qliro strives to follow the Code where appropriate. Qliro is governed by several bodies. At the AGM, the shareholders exercise their voting rights by electing the Board of Directors and external auditors. Some of the Board's duties are prepared by Qliro's CEO. The CEO is responsible for and oversees the company's day-to-day management in accordance with guidelines from the Board.

Shares and shareholders
Qliro's first day of trading on Nasdaq Stockholm was October 2, 2020.

According to the share register maintained by Euroclear Sweden AB, there were 15,405 shareholders at the end of 2023. The shareholdings of the fifteen largest shareholders correspond to 73.02 percent of the share capital and votes. Swedish institutions owned 27.79 percent of share capital, foreign institutional investors 9.4 percent, Swedish individual investors 45.99 percent, and other investors owned 16.85 percent of the share capital.

The share capital comprises one class of shares, ordinary shares. There are no restrictions on the number of votes each shareholder can cast at the AGM. At year-end, the number of shares was 19,072 973 and the share capital amounted to SEK 53,404,324, corresponding to a quotient value of SEK 2.79999 per share.

Shareholders are regularly provided with information, including Interim and Year-end Reports, Annual Reports and press releases on significant events. All reports, press releases and other information can be found on the website at qliro.com/en-se/investor-relations

Annual General Meeting
The Annual General Meeting is a limited company's highest decision-making body. It is where all shareholders can exercise their voting rights to decide on issues affecting the company and its operations. The Swedish Companies Act and the Articles of Association stipulate how notice is given of the AGM and Extraordinary General Meetings, as well as who is entitled to participate and vote at the meetings. The authority of the AGM and its Rules of Procedure are primarily based on the Swedish Companies Act and the Code, as well as the Articles of Association adopted by the AGM. The AGM must be held within six months of the end of the financial year. The AGM makes decisions on adoption of the company's Income Statement and Balance Sheet, appropriation of the year's profit or loss according to the adopted Balance Sheet, discharge of liability for the Board and CEO, appointment of the Board, its Chairman and the company's auditors, and certain other matters provided for by law and the Articles of Association. The AGM for the financial year 2024 will be held on May 28, 2024.

Nomination Committee
The members of Qliro's Nomination Committee were appointed in October 2023 in accordance with the instruction for the Nomination Committee adopted by the Annual General Meeting in 2021. The Nomination Committee is composed of Christoffer Häggblom, Alexander Antas, Thomas Krishan and Patrik Enblad.

The Nomination Committee's duties include preparing proposals for the Annual General Meeting related to:

- number of Board members and auditors and, where applicable, deputy auditors
- Chairman of the Annual General Meeting
- Board members
- Chairman of the Board
- remuneration to the Board of Directors divided between the Chairman and other Board members, and remuneration for committee work carried out
- auditors and, where applicable, deputy auditors
- changes to the instructions for the Nomination Committee

Board of Directors
Qliro's Board of Directors is elected at the AGM for the period until the conclusion of the next AGM. Qliro's Articles of Association do not include restrictions on the eligibility of Board members. According to the Articles of Association, the Board should consist of a minimum of three and a maximum of nine members without deputies.

Responsibilities and duties of the Board
The Board has overarching responsibility for Qliro's organization and management. The Board has adopted Rules of Procedure for its work that include rules pertaining to the number of scheduled Board meetings, the issues to be addressed at regular Board meetings, the duties of the Chairman and instructions on the distribution of responsibilities between Qliro's Board of Directors and the CEO.

In addition to the Rules of Procedure for the Board, the Board's work is governed by rules and regulations that include the Swedish Companies Act, the Swedish FSA's Regulations and General Guidelines regarding Governance, Risk Management and Control at Credit Institutions (FFFS 2014:1), Guidelines on Internal Governance (EBA/GL2017/11), Guidelines on the Assessment of the Suitability of Members of the Management Body and Key Function Holders (EBA/GL/2017/12), the Articles of Association and the Code.

To carry out its work effectively, the Board has appointed a Remuneration Committee and a Risk, Capital, Audit and Compliance Committee (RCACC) with special tasks. These committees deal with matters within their respective areas and present recommendations and reports on which the Board can base its decisions and actions. However, all members of the Board have the same responsibility for all decisions, irrespective of whether the issue in question has been reviewed by a committee.

The Board has also issued instructions for the CEO, which require, among other things, that major investments in non-current assets must be approved by the Board. The Board also approves major transactions, including acquisitions and divestments or business closures. Furthermore, the Board has issued written instructions specifying when and how the information required by the Board to evaluate the company's financial position must be reported.

The Rules of Procedure adopted annually by the Board include instructions on which financial reports and what financial information must be submitted to the Board. In addition to the year-end report, interim reports and the annual report, the Board examines and evaluates extensive financial information related to the company as a whole, as well as various entities within the company. The Board also examines, primarily through the RCACC, the most significant accounting policies applied in the company regarding financial reporting, and any key changes to these policies. The RCACC Committee is also tasked with examining reports on internal controls and the processes for financial reporting, along with internal audit reports compiled by the internal audit function, which is outsourced to an external party. The company's auditor reports to the Board as required, and at least once a year. At least one of these reporting occasions takes place without the CEO or any other member of executive management in attendance. The company's auditor also participates in a number of meetings of the RCACC. The Committee meetings are minuted and the minutes are made available to all Board members and the auditors.

Composition of the Board

The Board members up until and including the AGM 2023 were Patrik Enblad (Chairman), Alexander Antas, Mikael Kjellman, Monica Caneman (stepped down at the AGM 2023), Lennart Francke and Helena Nelson. The Board members after the AGM 2023 were Patrik Enblad (Chairman), Alexander Antas, Mikael Kjellman, Lennart Francke and Helena Nelson.

The Board's composition shall comply with current laws and regulations, as well as the policy on the Board's skills and composition (including diversity) as adopted by Qliro's Board. The policy states that the Board shall, as far as possible and without compromise with regard to competence, comprise an even distribution of men and women from different backgrounds. The composition of Qliro's Board satisfies the requirements of Nasdaq Stockholm and the Code regarding independent members. All Board members elected by the AGM are independent (majority required) in relation to the company and the management and independent in relation to the company's major shareholders (minimum of two required).

Remuneration Committee

The Remuneration Committee comprises Alexander Antas (Chairman) and Patrik Enblad.

The Remuneration Committee's primary tasks are to: (i) prepare decisions for the Board on matters regarding remuneration principles, remuneration and other employment terms for the CEO and senior executives; (ii) monitor and evaluate ongoing programs and programs concluded during the year for variable remuneration (e.g., long-term share-based incentive plans (LTIPs) for the CEO, senior executives and other key persons in Qliro; and (iii) monitor and evaluate the application of the guidelines for remuneration of senior executives that the AGM is required by law to decide on, along with applicable remuneration structures and remuneration levels in the company.

Board of Directors

Name	Position	Born	Citizenship	Elected	Independent in relation to major shareholders	Independent in relation to the company and management	Remuneration Committee	Risk, Capital, Audit and Compliance Committee
Patrik Enblad	Chairman	1966	Swedish	2022	Yes	Yes	Yes	No
Alexander Antas	Board member	1981	Finnish	2020	Yes	Yes	Yes	No
Mikael Kjellman	Board member	1977	Swedish	2022	Yes	Yes	No	Yes
Lennart Francke	Board member	1950	Swedish	2016	Yes	Yes	No	Yes
Helena Nelson	Board member	1965	Swedish	2015	Yes	Yes	No	Yes

Risk, Capital, Audit and Compliance Committee (RCACC)

The RCACC is composed of Lennart Francke (Chairman), Mikael Kjellman, Helena Nelson and Joel Nisses.

The Committee's responsibility is to: (i) monitor the company's financial reporting and make recommendations and suggestions to ensure reporting reliability; (ii) in respect of the financial reporting, monitor the efficiency of the company's internal controls, internal audits and risk management; (iii) stay informed about the audit of the Annual Report and consolidated accounts, as well as the conclusions of the Supervisory Board of Public Accountants' quality control; (iv) inform the Board about the results of the audit and how the audit contributed to the reliability of financial reporting, as well as the role the Committee has played; (v) review and monitor the impartiality and independence of the auditor, particularly paying special attention to whether the auditor provides the company with services other than auditing; and (vi) assist in the preparation of proposals for the AGM's resolution on election of the auditor.

The RCACC's work is focused on evaluating the quality and accuracy of the financial reporting, internal controls, internal audits and risk assessments.

Qliro has an independent internal audit function that is outsourced to an external party.

Remuneration of Board members

The fixed remuneration for the Board,based on the usual term of office in 12 months, is SEK 600,000 to the Chairman of the Board and SEK 300,000 to other members.

For the work of the Board's committees, a fee of SEK 125,000 is paid to the Chairman and SEK 75,000 each to the two other members of the RCACC, as well as SEK 50,000 to the Chairman and SEK 25,000 to the other member of the Remuneration Committee. Remuneration of Board members is proposed by the Nomination Committee, which represents the company's largest shareholders, and approved by the AGM. The Nomination Committee's proposal is based on benchmarking of peer group remuneration for companies of similar size.

The Board's work in 2023

During the year, the Board regularly reviewed Qliro's earnings, financial position, organization and administration. During its meetings, the Board dealt with matters involving Qliro's strategy, budget and other financial forecasts, capital structure and financing, and investments in fixed assets. Furthermore, the Board continued streamlining of internal procedures and control processes. The Board held a total of 23 meetings in 2023, including one statutory meeting.

Attendance at Board and Committee meetings in 2023

	Board meetings[1]	RCACC[2]	Remuneration committee[3]
Number of meetings	23	8	2
Patrik Enblad	23/23	n/a	2/2
Alexander Antas	23/23	n/a	2/2
Mikael Kjellman	23/23	5/8	n/a
Monica Caneman[4]	6/23	2/8	n/a
Lennart Francke	23/23	8/8	n/a
Helena Nelson	21/23	8/8	n/a

1) There were twenty three (23) Board meetings in 2023, of which six (6) before the AGM on May 17, 2023 and seventeen (17) after the AGM 2023.
2) There were eight (8) Audit Committee meetings in 2023, of which three (3) before the AGM on May 17, 2023 and five (5) after the AGM 2023.
3) There were two (2) Remuneration Committee meetings in 2023, of which one (1) before the AGM on May 17, 2023 and one (1) after.
4) Monica Caneman declined re-election at the AGM 2023 and thus only participated in meetings before this date.

The Board's self-assessment

The Board establishes a training plan every year. During the year, the Board received training in the following areas; the company's key IT systems, Board responsibilities and sanctions, regulatory reporting and EU regulations. At the end of the year, The Board carried out a self-evaluation process relating to competencies with the aim of identifying Board training needs in 2024.

External auditors

Qliro's auditor, KPMG AB, was elected at the 2023 AGM for a period of one year. KPMG has been the company's external auditor since 2014. Mårten Asplund, Authorized Public Accountant at KPMG, has overseen the company's audits since May 2017. An auditor election will take place at the 2024 AGM.

The auditors report their findings to the shareholders by means of the auditor's report, which is presented to the AGM. In addition, the auditors report their findings to the Audit Committee twice a year and to the Board once a year, and annually provide written assurance of their impartiality and independence to the Audit Committee.

KPMG also provided the company with certain additional services beyond the audit during the year. Such matters included consulting in accounting-related areas.

Audit engagements involve examination of the annual report, financial accounting and administration by the Board and CEO. In addition, the engagement has included other reviews and audit-related tasks incumbent on the company's auditor. For more information on the auditor's fee, see Note 10.

CEO and executive management

The company's executive management comprises the CEO and Group Management.
The CEO is responsible for the ongoing administration of the company in accordance with the guidelines and directions established by the Board.

The CEO and executive management team, supported by various staff functions, are responsible for adhering to the Group's overall strategy, financial and business controls, financing, capital structure, risk management and acquisitions. Among other tasks, this includes the preparation of financial reports, provision of information to and communication with investors.

Internal control of financial reporting

The processes for internal control, risk assessment, control activities and monitoring regarding financial reporting are designed to ensure reliable overall and external financial reporting in accordance with IFRS, for the Parent Company with the limitations and additions pursuant to Recommendation RFR 2 Accounting for Legal Entities and FFFS 2008:25 and for the Group according to full IFRS as well as applicable laws and regulations.

Qliro has a clear framework in place for internal control of financial reporting. The Board has overarching responsibility for ensuring that suitable systems and structures for internal control of financial reporting have been established, and for monitoring the effectiveness of such systems and structures.

As a minimum requirement, the internal control framework for financial reporting shall include the following components:

- A risk assessment to identify, analyze and evaluate risks and key processes relevant to the financial reporting.
- Mapping and documentation of key processes, including the risks associated with each key process.
- Key controls, established through policies and processes, to ensure that relevant risks are mitigated. Control activities should be conducted at all levels within Qliro, in various stages of the business processes, including the IT environment. Key controls should be designed, implemented and documented.
- Monitoring and reporting the results of the risk assessment to management, the RCAAC and the Board, including the measures required to remedy ineffective controls, deadlines for measures and determination of responsibility. Measures should be followed up on and reported.

Control environment

The Board has adopted a number of policies and instructions, which together with the external rules provide the foundation for the company's control environment. In addition to communicating a clearly defined internal control environment, the policies and instructions aim to define roles and the distribution of responsibilities between the CEO, the Board and independent control functions. The policies and instructions cover, among other things, credit processes, conflicts of interest, anti-money laundering and counter-terrorist financing, information security, risk management, management of operational risks, compliance, internal audit, outsourcing, data security, remuneration, etc.

To create an effective system for internal control and risk management, the company has established a model with three lines of defense (including control functions for risk, compliance and internal audit). The control functions are organizationally separated from each other to ensure independence and avoid conflicts of interest. The control functions must regularly report material shortcomings and risks to the CEO and the Board, or the Board's committees, which must ensure that processes are established to regularly monitor the measures taken due to such reports.

The Board is ultimately responsible for maintaining an effective control environment, and the CEO must regularly submit a report to the Board containing, among other things, comments on significant events. Managers at various levels of the company have, in their capacity as operational staff and operational managers of certain business units and support functions in the first line of defense, responsibility for identifying, addressing and reporting operational risks.

Risk assessment and control activities

The risks that could materially impact the company's strategic, operational, reporting and compliance goals must be managed correctly and sufficiently. The company systematically evaluates the risks that it faces, to identify, analyze and evaluate current and potential risks, as well as how these risks are addressed and reported. This assessment is performed through the risk management process, which comprises six steps: risk identification, risk analysis, risk assessment, risk management, risk monitoring and reporting.

Information and communication

Qliro's communication channels and the company's limited size make it possible to quickly and easily communicate written information regarding internal control to the employees concerned. In addition to written information and reports, risk management and control activities are communicated verbally and discussed at in-person/digital meetings with the employees concerned. All relevant internal policies and instructions are available to the employees concerned. With regard to external communication, the company has established policies to ensure that it meets applicable information requirements as well as to guarantee that communicated information is accurate and of high quality. Qliro's website is continuously updated and meets the requirements for credit market companies and companies listed on Nasdaq Stockholm.

Monitoring

The Board continuously evaluates the information submitted by company management and the RCAAC. The Board receives regular updates between meetings on the Group's development. The company's financial position, strategies and investments are discussed at every ordinary Board meeting. The RCAAC reviews all quarterly reports prior to publication. The RCAAC is also responsible for monitoring internal control activities. This work includes ensuring that measures are taken to deal with any shortcomings and implementing proposed measures that have emerged from the internal and external audits. The external auditors participate in a number of regular meetings of the RCAAC.

The company has an independent internal audit function with responsibility for monitoring and evaluating risk management and internal control activities. Internal audit has been performed by an external party whose work includes scrutinizing compliance with established guidelines.

Board of Directors

Patrik Enblad
Chairman of the Board since 2022
Assignments committees: Member of Remuneration Committee
Education: Studied Business at Stockholm University
Professional experience: CEO Newsec 2009–2012, CEO HQ Bank 2002–2007, Chairman of the Board, Orc Group 2011–2012, Board member, Cinnober 2015–2018
Other ongoing assignments: Chairman of the Board, Degoo/Instabridge
Holding in Qliro AB[1]: 585,000 shares and 300,000 warrants
Independent in relation to the company and management, independent in relation to major shareholders.

Alexander Antas
Board member since 2020
Assignments committees: Chairman of the Remuneration Committee
Education: Master Finance, Hanken School of Economics in Finland
Professional experience: Head of Private Equity at Mandatum Asset Management, and has previously been Portfolio Manager and Head of Alternative Investments at Sampo plc (2008-2020) and analyst at Carnegie Investment Bank (2006-2008).
Other ongoing assignments: Board member at Pet Pawr Group Ab, Coronaria Oy, Oddlygood Oy and Board observer at Elematic Oy
Holding in Qliro AB[1]: 0 shares and 0 warrants
Independent in relation to the company and its management, independent in relation to major shareholders.

Mikael Kjellman
Board member since 2022
Assignments committees: Member RCACC
Education: IHM Business School
Professional experience: Founder and CEO of Skincity AB and Tradecity AB
Other ongoing assignments: Chairman of the Board of Tradecity AB, Klockaren 13 AB, Söderby Stuteri AB and Board member of Soul Technology AB.
Holding in Qliro AB[1]: 303,433 shares and 150,000 warrants
Independent in relation to the company and its management, independent in relation to major shareholders.

Lennart Francke
Board member since 2016
Assignments committees: Chairman of RCACC
Education: M.B.A. Stockholm School of Economics and Program for Management Development, Harvard Business School, USA.
Professional experience: Appointed by Swedbank Robur to several Nomination Committees in listed companies. Previous experience as Senior Advisor and Head of Group Finance at Swedbank (2013-2014 and 2011-2012) and deputy CEO, Head of Group Finance and Group Credit at Handelsbanken (1998-2006). Other senior management positions within Handelsbanken (1978–1998).
Other ongoing assignments: Deputy Chairman of Centrum för Näringslivshistoria CfN AB and Stiftelsen Affärsvärlden.
Holding in Qliro AB[1]: 17,199 shares and 150,000 warrants
Independent in relation to the company and management, independent in relation to major shareholders.

Helena Nelson
Board member since 2015
Assignments committees: Member RCACC
Education: Master of Laws Lund University and Ruter Dam Management Program, Stockholm
Professional experience: General Counsel and part of the executive management of Carnegie Investment Bank AB (publ) and previous experience as Chief Compliance Officer and Head of Operational Risk at Swedbank (2009-2013), General Counsel at Skandia (2006-2009) and other legal positions at Skandia (1994-2006) and court work (1989-1994)
Other ongoing assignments: Board member of Carnegie Personal AB and Montrose by Carnegie and member of the council in Livförsäkringsbo-laget Skandia
Holding in Qliro AB[1]: 1,000 shares and 100,000 warrants
Independent in relation to the company and its management, independent in relation to major shareholders.

Outgoing Board member
Monica Caneman stepped down as Board member at the AGM 2023.
Attendance Board meetings: 6/23
Attendance Audit Committee meetings: 2/8

The Board assignments indicated above reflect the position as of December 31, 2023.

1) The number of shares and warrants include holdings owned and controlled directly or indirectly by companies and physical related parties as of April 18, 2024.

Executive Management

Christoffer Rutgersson
CEO
Born: 1986
Part of Group management since 2022
Education: MSc Industrial Engineering and Management, Linköping University
Previous Experience: Angel investor in tech startups, Board member, Greenely (2018-2022), VP Portfolio & Growth Management, Ingenico Retail (2019–2020), co-founder and Chief Growth Analytics Officer, Bambora (2014–2018), consultant at Boston Consulting Group (2011–2014)
Holding in Qliro AB[1]: 777,000 shares and 748,874 warrants

Anna Engman
Chief People Officer
Born: 1989
Part of Group management since 2023
Education: B.Sc. Programme Human Resources, Linköping University
Previous Experience: Head of Recruitment Stockholm and Mälardalen, Combitech (2014–2015), Head of Talent & Culture, Talentech (2016–2018), VP People & Culture, Detectify (2018–2023)
Holding in Qliro AB[1]: 4,300 shares and 35,000 warrants

Joel Nisses
Chief Risk Officer
Born: 1981
Part of Group management since 2023
Education: Master International Business, Grenoble Ecole de Management, France. B.Sc. Business and Economics, University of Lund. B.Sc. Political Science, Swedish Defence University
Previous Experience: Director at FCG (2017-2023), Commercial Director at Reg&Tech Solutions by FCG (2020-2022), Senior consultant at 4C Strategies (2013-2016), Founder and Managing Director at Nordiva Healthcare AB (2010-2013), Schibsted Trainee Program and various positions within Schibsted Group (2007-2010)
Holding in Qliro AB[1]: 40,542 shares and 35,000 warrants

Robert Stambro
Chief Financial Officer
Born: 1975
Part of Group management since 2019
Education: Master International Business, Luleå University of Technology
Previous Experience: Head of Financial Planning & Analysis (2018-2019), Head of Treasury and Head of Business Control (2017-2018), Acting CFO (2016-2017), Deputy CFO (2016) and Head of Treasury (2009-2016) at Nordnet AB
Holding in Qliro AB[1]: 40,000 shares and 110,000 warrants

Fredrik Milton
Chief Technology Officer
Born: 1977
Part of Group management since 2022
Education: Natural science program with emphasis on technology, 1996, Hersby Lidingö
Previous Experience: Own consulting company (2016–2022), partner, Polar Cape Consulting (2011–2016), consultant, HiQ (2006–2009), systems architect, Song Networks/TDC (2002–2006), Head of Development, Wineasy (1999–2001)
Holding in Qliro AB[1]: 1,050 shares and 60,000 warrants

The Board assignments indicated above reflect the situation as of December 31, 2023.

1) The number of shares and warrants include holdings owned and controlled directly or indirectly by companies and physical related parties, as of April 18, 2024.

Lina Nätterlund[2)]
Chief Credit Officer
Born: 1988
Part of Group management since 2024
Education: Master Industrial Engineering and Management, Royal Institute of Technology, Stockholm.
Previous Experience: Credit Manager at Froda (2019-2024), Senior Manager Pay Later Underwriting at Klarna (2015-2019), Management trainee at MTG/Viaplay (2014-2015)
Holding in Qliro AB[1)]**:** 0 shares and 0 warrants

Emma Lunde
Chief Customer Officer
Born: 1982
Part of Group management since 2022
Education: IHM Business School and COPC-2000® CSP Standard, Registered Coordinator Training – COPC Inc, Amsterdam
Previous Experience: Head of Operations, Qliro (2020–2022), CEO, Women for Education (NGO) (2021–2022), Domain Lead/Head of Service Center (Global), Klarna (2018–2020), Director, Service Center Europe (2017–2018), Head of Account & Operations, Webhelp (2012–2017), Interim Customer Service Manager, Svenska Dagbladet/ Schibsted (2011–2012), Contact Center Manager, Teleperformance (2007–2011), Project Manager, American Express (2006–2007), Business Save Desk Manager, Hi3G Access (2005–2008)
Holding in Qliro AB[1)]**:** 59 shares and 35,000 warrants

Robin Soubry[3)]
Chief Strategy Officer
Born: 1986
Part of Group management since 2023
Education: Master Industrial Design, University Antwerp, Master Business Administration, Vlerick Business School
Previous Experience: Product Strategy Management, Worldline, Head of Product & Customer Experience for e-commerce offering in Europe, Worldline, Head of Value Proposition for European payment solutions in Europe, Worldline
Holding in Qliro AB[1)]**:** 27,570 shares and 60,000 warrants

Evelin Kaup[2)]
Chief Product Officer
Born: 1987
Part of Group management since 2024
Education: Master Banking and Finance, Stockholm University
Previous Experience: Founder of Bapelsin (2022-2024), Head of Product at Liber (2019-2022), Head of Product Nordnet (2016-2019), Product Owner Spotify (2016), Product Manager Klarna (2013-2016)
Holding in Qliro AB[1)]**:** 0 shares and 0 warrants

Peder Ålenius[2)]
Chief Commercial Officer
Born: 1979
Part of Group management since 2024
Education: Master Economics and Business Administration, School of Business, Economics and Law at the University of Gothenburg.
Previous Experience: Sr VP Sales EMEA at Sinch (2019-2024), Regional Sales Director at Vaimo (2017-2019), Management Consultant at Howee Technologies (2014-2017), European Director of Sales and Marketing at EF (2010-2014), Sales Development Manager at Viasat (2008-2010), Management Trainee at MTG (2007-2008).
Holding in Qliro AB[4)]**:** 0 shares and 60,000 warrants

The Board assignments indicated above reflect the situation as of December 31, 2023.

1) The number of shares and warrants include holdings owned and controlled directly or indirectly by companies and physical related parties as of April 18, 2024. Peder Ålenius' holding includes the number of warrants due to be received on April 30, 2024.
2) Lina Nätterlund, Evelin Kaup and Peder Ålenius joined management in 2024.
3) Robin Soubry took up the new role of Chief Strategy Officer (formerly Chief Product Officer) in 2024.

Directors' Report

Company overview
Qliro AB 556962-2441 (publ) ("Qliro" or "the company") is a fintech company under the supervision of the Swedish Financial Supervisory Authority (FSA). The company has its registered office and main operations in Stockholm. Qliro's shares have been listed on Nasdaq Stockholm since October 2020. Qliro also has operations in Norway, Finland and Denmark, although all employees and operations were based in Sweden at year end.

Qliro's operations are divided into two business areas: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing, while the latter comprises personal loans and other digital financial services. They are referred to as segments in the financial reporting. Qliro was founded in 2014 and offers payment solutions to e-merchants that help convert website visitors into paying customers. The payment service ensures that e-merchants receive payment for their goods and allows consumers to shop securely online and pay for their purchases by invoice or part payment. The payment service is used by some of the Nordics' largest e-merchants. Qliro also offers savings accounts and personal loans to Swedish consumers. Qliro's savings accounts are insured by the state deposit guarantee and are available at fixed or variable interest.

SIGNIFICANT EVENTS DURING THE YEAR

- Qliro achieved its financial target for the full year 2023, reaching positive operating profit following successful implementation of a profitability program.
- The number of connected merchants on Qliro's platform increased to 75 (58), up 29 percent.
- Qliro expanded its portfolio of e-merchants through agreements with four new Enterprise merchants.
- Qlrio signed an extended collaboration agreement with Nelly Group relating to Pay Now volumes.
- The Extraordinary General Meeting resolved to implement an issue of warrants to Qliro's Board of Directors with the aim of strengthening the stakeholder alliance between shareholders and the Board.
- Qliro launched its Unified Payments (Collecting PSP) service, which supports payments by bank card and Swish.
- Initiated partnership with AI platform SiftLab with the aim of driving upsell in the checkout.

FINANCIAL PERFORMANCE

Financial performance in brief

- Total operating income increased by 9 percent to SEK 448.5 million (410.9)
- Operating expenses decreased by 22 per cent to SEK -318.6 million (-410.3). Adjusted for items affecting comparability, operating expenses decreased by 16 percent to SEK -316.4 million (-374.4)
- The credit loss ratio was 4.6 percent (4.3) of average lending. Net credit losses increased by 5 percent to SEK -121.7 million (-116.1)
- Operating profit was SEK 8.2 million (-115.5). Operating profit adjusted for items affecting comparability amounted to SEK 10.4 million (-79.6)
- Profit/loss for the period was SEK 4.1 million (-93.5). Profit/loss for the period adjusted for items affecting comparability amounted to SEK 5.9 million (-65.0)
- Earnings per share amounted to SEK 0.22 (-4.90)
- Lending to the public decreased by 3 percent to SEK 2,612 million (2,687)
- Deposits from the public amounted to SEK 2,951 million (3,320)
- Own funds amounted to SEK 480 million (439).

Items affecting comparability
Items affecting comparability relating to severance pay of SEK 2.3 million were recognized in the period.

OPERATING INCOME

Total operating income increased by 9 percent to SEK 448.5 million (410.9). The increase was primarily driven by a general increase in interest in Qliro's Payment Solutions products, and higher BNPL volumes in Pay Later. Net interest income increased by 14 percent to SEK 272.0 million (238.5), where interest income increased to SEK 372.8 million (288.9) and interest expenses to SEK -100.8 million (-50.4). Interest income increased as a result of increased interest in the company's Pay Later products, which benefits invoicing, and as a result of an earlier interest adjustment to customers. Interest expenses increased as a result of higher market funding costs. Net commission income increased marginally to SEK 176.7 million (175.7). Net gains and losses on financial transactions amounted to SEK -1.4 million (–4.0).

OPERATING EXPENSES

Operating expenses decreased to SEK -318.6 million (-410.3). Adjusted for items affecting comparability, operating expenses decreased to SEK -316.4 million (-374.4). General administrative expenses, comprising consultancy and IT expenses, decreased to -226.2 million (–279.9), mainly due to lower consultancy costs and rationalizations in the previously completed profitability program. Other expenses amounted to SEK -19.3 million (-24.8).
The year-on-year decrease was primarily attributable to renegotiated supplier agreements. Depreciation, amortization and impairment decreased to SEK -73.1 million (-105.6) and primarily related to amortization of previously capitalized payment solutions for e-merchants, as well as consumer products, website and app solutions.

CREDIT LOSSES

The credit loss ratio was 4.6 percent (4.3) of average lending. In Payment Solutions, credit losses totaled SEK -92.6 million (-89.1), and SEK -29.0 million (-27.0) in Digital Banking Services. Total net credit losses amounted to SEK –121.7 million (–116.1), driven by divestments of assets and a changed customer mix.

PROFIT/LOSS FOR THE PERIOD

Operating profit improved to SEK 8.2 million (–115.5). Operating profit adjusted for items affecting comparability increased to SEK 10.4 million (-79.6). The progress was due to lower costs in combination with increased total operating income. The high tax level of SEK -4.1 million in relation to profit before tax of SEK 8.2 million, was due to interest on subordinated debt of SEK -10.3 million not being tax-deductible, which had a tax impact of SEK -2.1 million. Profit/loss for the period was SEK 4.1 million (-93.5) Profit/loss for the period adjusted for items affecting comparability amounted to SEK 5.9 million (-65.0).

SEGMENT INFORMATION

PAYMENT SOLUTIONS

Payment Solutions provides services to large, small and medium-sized e-merchants in the Nordics. The business segment generated 84 percent of total income in 2023. The payment solutions include Qliro's Pay Later and Pay Now products for consumers purchasing goods and services online. Qliro's income is mainly generated through interest and fees associated with Pay Later products. Average credit amounts are low and maturities short. When new merchants join the platform, Qliro's business volumes rise, which gradually drives growth in the loan book and generates interest income over time. It is not uncommon for it to take several quarters from the time a merchant signs a contract and becomes connected until significant income is generated for Qliro.

The offering included in Pay Later comprises invoices, buy-now-pay-later (BNPL) products and various types of part payments. Qliro's Pay Now payment solution includes a range of payment methods offered through partnerships, such as card payments, direct bank payments or Vipps, Mobilpay, Swish, Paypal, iDeal, Unzer, American Express and Trustly. Qliro has the capacity to handle payments on more than 30 markets and the checkout solution is available in eight languages. A total of 5.6 unique consumers have used Qliro's checkout through the company's e-merchants in the last 12 months.

Historically, Qliro's strategy has been focused on a customized offering for the very largest Nordic e-merchants. During the year, Qliro increased its commercial focus and investments to accelerate growth in both large ("Enterprise") and small and midsized e-merchants ("SME"), both through direct sales and through partners. The number of connected merchants increased to 75 (58) in the year.

Income Statement, Balance Sheet and Key Performance Indicators in brief

SEK million unless otherwise stated	2023	2022	% Δ
Income Statement			
Total operating income	448.5	410.9	9%
Total expenses before credit losses	-318.6	-410.3	-22%
of which depreciation/amortization	-73.1	-105.6	-31%
Net credit losses	-121.7	-116.1	5%
Operating profit[1]	8.2	-115.5	n/a
Operating profit adjusted for items affecting comparability[1]	10.4	-79.6	n/a
Profit/loss for the period	4.1	-93.5	n/a
Profit/loss for the period adjusted for items affecting comparability	5.9	-65.0	n/a
Balance Sheet			
Lending to the public[1]	2,612	2,687	-3%
of which Payment Solutions[4]	1,839	1,807	1%
of which Digital Banking Services[4]	774	879	-10%
Deposits from the public	2,951	3,320	-11%
Key Performance Indicators			
Credit loss level, (%)[1]	4.6%	4.3%	8%
Cost/income ratio, %[1]	71.0%	99.9%	-29%
CET 1 capital ratio, %[3]	15.6%	13.2%	18%
Total capital Ratio, %[3]	19.7%	17.1%	15%
Total payment volume[2]	11,868	12,051	-2%

1) Alternative performance measures that management and analysts use to evaluate the company's development, which are not specified or defined in IFRS or other applicable regulations. For definition see pages 103-104.
2) Operating performance measures. For definition see pages 104-105.
3) Other key performance measures. For definitions see page 105.
4) When preparing the Annual Report, it was noted that volumes of lending to the public had been incorrectly allocated between two segments since Q2 2023. This related to a total amount of SEK 13.5 million. As the change only represents an adjustment between segments, the amount has been adjusted in the Annual Report but no correction has been made to previously published quarterly reports as the difference is not material and only affects KPIs in the segments marginally.

Financial performance 2023

Total operating income increased by 11 percent to SEK 374.6 million (338.6). Net interest income increased by 19 percent as a result of growing interest in the company's Pay Later products, benefiting invoicing, and as a result of an earlier interest adjustment to customers. Net commission income increased by 1 percent to SEK 176.3 million (175.3). Credit losses increased to SEK -92.6 million (-89.1) as a result of a changed customer mix. In relation to Pay Later volumes, credit losses amounted to 1.5 percent (1.4). Total operating income less credit losses increased to SEK 282.0 million (249.5).

Pay Later volumes decreased by 8 percent SEK 6,037 million (6,581) in the year, and the number of transactions decreased by 11 percent to 6.1 million (6.8). The decrease in Pay Later volumes was affected by challenging macroeconomic conditions in the year. According to the Swedish Trade Federation's e-commerce indicator, e-commerce sales decreased by 8 percent in the period January–December 2023. Lending, which comprises interest-bearing lending as part payments and non-interest-bearing lending such as invoices or buy-now-pay-later products, increased by 2 percent to SEK 1,839 (1,807) million. The income margin improved to 20.5 percent (19.3).

PAYMENT SOLUTIONS

SEK million	2023	2022	% Δ
Net interest income	198.5	166.7	19%
Net commission income	176.3	175.3	1%
Total operating income	374.6	338.6	11%
Credit losses	-92.6	-89.1	4%
Total operating income less credit losses	282.0	249.5	13%
Lending to the public[1)]	1,839	1,807	2%
Pay Later, volume	6,037	6,581	-8%
Pay Later, number of transactions	6,112	6,841	-11%
Credit losses, %, in relation to Pay Later volume	1.5%	1.4%	13%
Payment volume	11,868	12,051	-2%
of which Pay Now volume	5,831	5,470	7%
of which Pay Later volume	6,037	6,581	-8%
BNPL volume	2,436	2,354	3%
Invoice volume	3,601	4,227	-15%

1) When preparing the Annual Report, it was noted that volumes of lending to the public had been incorrectly allocated between two segments since Q2 2023. This related to a total amount of SEK 13.5 million. As the change only represents an adjustment between segments, the amount has been adjusted in the Annual Report but no correction has been made to previously published quarterly reports as the difference is not material and only affects KPIs in the segments marginally.

DIGITAL BANKING SERVICES

Digital Banking Services comprise the services offered on Qliro's digital platforms in addition to the payment products from Payment Solutions. Income generated in the segment accounted for 16 percent of total income in 2023. Today, Digital Banking Services primarily comprises Qliro's personal loans in Sweden, launched at the end of 2017. A majority of borrowers had an existing relationship with Qliro and many applied through Qliro's app. This leads to low customer acquisition costs and good knowledge of customers applying for loans. Credit checks are automated and based on a combination of internal and external data analyzed in real time through machine learning. Since 2021, products in the business segment are only marketed through Qliro's own digital channels, such as the app and website, to existing customers.

Financial performance 2023

Digital Banking Services' total operating income increased by 2 percent to SEK 73.9 million (72.4) as a result of higher average interest rates. Lending to the public decreased by 12 percent to SEK 774 million (879) due to reduced marketing initiatives relating to the business segment's products. The income margin improved to 8.9 percent (7.5). Credit loss level in relation to average lending increased to 3.5 percent (2.8), due to a changed customer mix.

DIGITAL BANKING SERVICES

SEK million	2023	2022	% Δ
Net interest income	73.5	71.9	2%
Total operating income	73.9	72.4	2%
Credit losses	-29.0	-27.0	8%
Total operating income less credit losses	44.8	45.4	-1%
Lending to the public[1)]	774	879	-12%
Credit loss level,%, in relation to average lending	3.5%	2.8%	25%

1) When preparing the Annual Report, it was noted that volumes of lending to the public had been incorrectly allocated between two segments since Q2 2023. This related to a total amount of SEK 13.5 million. As the change only represents an adjustment between segments, the amount has been adjusted in the Annual Report but no correction has been made to previously published quarterly reports as the difference is not material and only affects KPIs in the segments marginally.

BALANCE SHEET AND CASH FLOW

Financial position

Qliro has a strong financial position, and as of December 31, 2023 own funds amounted to SEK 480 million (439). In addition to Common Equity Tier 1 capital, own funds comprise SEK 100 million in subordinated Tier 2 capital in the form of subordinated bonds issued in 2019.

As of December 31, 2023, the risk exposure amount decreased slightly to SEK 2,446 million (2,563) due to marginally lower lending in year-on-year terms.

Qliro is well-capitalized and the total capital ratio was 19.6 percent (17.1), compared with the regulatory requirement of 12.5 percent, and the Common Equity Tier 1 capital ratio was 15.5 percent (13.2), compared with the regulatory requirement of 9 percent.

Lending to the public as of December 31, 2023 amounted to SEK 2,951 million (3,320) a decrease of 11 percent. In addition to equity, lending to the public was funded by SEK 2,951 million (3,320) in deposits from the public (savings accounts) in Sweden and Germany.

Deposits from the public are a flexible and functional form of funding given Qliro's lending, which largely comprises small loans of short duration. Qliro offers savings accounts to consumers in Sweden and a deposit offering in EUR in Germany in partnership with the open banking platform Raisin. As of December 31, 2023, deposits in Sweden amounted to SEK 2,481 million (2,604) and deposits in Germany to SEK 470 million (717).

Qliro has solid liquidity, and as of December 31, 2023 Qliro's cash and cash equivalents totaled SEK 714 million (1,192). The liquidity portfolio is invested in Nordic banks as well as other liquid investments such as Swedish municipal bonds and commercial paper with an average rating of AA+ and an average maturity of 141 days. The Liquidity Coverage Ratio (LCR) as of December 31, 2023 was 508 percent, compared to the legal requirement of 100 percent. The net stable funding ratio (NSFR) was 126 percent and the leverage ratio was 10.9 percent.

Cash Flow Statement

Cash flow amounted to SEK -795.8 million (843.2) during the year.

Cash flow from operating activities amounted to SEK -696.0 million (923.3), positively affected by the improved operating profit compared to the previous year. Cash flow was negatively affected by reduced deposits from the public, changes in bond balances and other receivables/liabilities.

Cash flow from investing activities was negative and amounted to SEK -96.7 million (-91.6) for the year due to acquisitions of intangible assets. Financing activities had a negative effect on cash flow with SEK -3.1 million (11.6) due to leasing.

REMUNERATION TO QLIRO'S SENIOR EXECUTIVES

Current guidelines for remuneration to CEO and senior executives

The Annual General Meeting on May 19, 2021 decided to adopt the guidelines for remuneration to senior executives in Qliro and Board members, to the extent they receive remuneration outside Board assignments. The guidelines apply until new guidelines have been adopted by the Annual General Meeting. The guidelines do not include remuneration decided by the Annual General Meeting.

Senior executives

Senior executives shall, within these guidelines, refer to the Board of Directors of Qliro, the Chief Executive Officer (CEO), the Deputy Chief Executive Officer (if applicable) and the group management, which is also presented on the website qliro.com

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

In short, Qliro's business strategy entails that the company, through continued product development and continued expansion in the Nordic e-commerce market, aims to strengthen its position as one of the leading operators in payment solutions for e-merchants in the Nordics. In addition to payment solutions, Qliro will continue to develop its digital banking-platform and consumer offering. For more information about the company's business strategy, see the company's website qliro.com.

A prerequisite for Qliro to realize its business strategy and safeguard its long-term interests, including its sustainability, is that the company can recruit and retain qualified senior executives in competition with comparable Nordic companies, primarily Nordic credit market companies and banks that specialize in e-commerce payments. To achieve this, the company needs to be able to offer competitive remuneration. These guidelines enable senior executives to be offered competitive total remuneration, while the remuneration system promotes sound and effective risk management and mitigates excessive risk. Furthermore, fixed remuneration shall be carefully considered.

Remuneration to senior executives is to be based on the individual's performance and responsibility in the short and long term and Qliro's financial performance, and should align the interests and rewards of the senior executives with those of the shareholders. In light of this, senior executives should receive remuneration according to the pay-for-performance principle.

The Board of Directors assesses that the possibility of variable remuneration and participation in any share-related incentive plans adopted by the General Meeting, combined with well-balanced fixed remuneration, will help Qliro to be a competitive employer, while the form and terms of the variable remuneration will support sound, responsible risk management as well as the company's growth strategy, long-term interests and sustainability.

Forms of remuneration
The remuneration shall be competitive and on market terms and may include the following components:

- Fixed cash remuneration,
- Variable cash remuneration,
- Pension, and
- Other customary benefits.

The total remuneration also includes long-term variable remuneration. Such long-term variable remuneration is decided by the Annual General Meeting and is therefore, as previously mentioned, not covered by these guidelines.

Fixed cash remuneration
The senior executives' fixed cash remuneration in the form of salary is revised each year and should be competitive and based on the individual's skills, responsibility and performance. The fixed remuneration should also constitute a sufficiently large part of the executive's total remuneration to enable the variable components to be set to zero.

Variable cash remuneration
The senior executives' variable cash remuneration should be based on how well they meet their established targets, both for their respective areas of responsibility and for Qliro as a whole. Both financial and non-financial criteria can be included in this assessment. The outcome should be linked to measurable targets, which, as regards Qliro, should be directly or indirectly linked to the achievement of Qliro's targets. The targets within the senior executives' respective areas of responsibility are to promote Qliro's development in both the short and long term and thus promote Qliro's business strategy and long-term interests, including the company's sustainability. The CEO's variable cash remuneration is determined on the basis of company targets adopted internally by the Board, for example based on income and expenses and credit loss development. Other individuals in group management have targets divided into three levels: company level, function level and individual level.

The payment of variable cash remuneration may not exceed a maximum of 100 percent of the senior executive's annual fixed salary. Furthermore, such remuneration may only be paid or transferred to a senior executive if it is reasonable with respect to the company's financial situation, including the company's own funds, and justified in consideration of the company's profit/loss, the business unit concerned and the senior executive in question. The variable cash remuneration may, therefore, be reduced or waived entirely as a result of such considerations.

The company also has the right to claim back, in whole or in part, paid variable cash remuneration if it can be demonstrated that such remuneration was calculated based on information or results that prove to be incorrect and the recipient of the remuneration was in bad faith.

Long-term share-related incentive programs
Senior executives can be offered to participate in incentive programs, which should mainly be share or share-price related. An incentive program should aim to improve participants' commitment to the company's development and implemented on market terms. A long-term share-related incentive program, Qliro's warrant program 2023, was implemented in Qliro during 2023. Qliro's warrant program for 2023 has been adopted by the Extraordinary General Meeting and is therefore not covered by these guidelines. For more information about the warrants program, including the requirements on which the outcome depends, please go to qliro.com.

Pension
Pension commitments are premium-based and are secured by premium payments to insurance companies. The scale of pension premiums is determined in the company's pension plan and should, essentially, coincide with the contribution levels defined in the ITP 1 plan with associated limitations regarding fixed annual salary. No contributions are made for salary components exceeding 60 income base amounts calculated on an annual basis. As a general rule, variable cash remuneration shall not be pensionable. The retirement age is normally 65 years. Pension costs may amount to a maximum of 40 percent of the fixed annual salary.

Other customary benefits
Other benefits should be customary and facilitate the executive's ability to perform its tasks and to attract and retain qualified employees, such as company car, occupational health care as well as life and health insurance. Costs arising from such benefits may amount to a maximum of 25 percent of the fixed annual salary.

Compensation in connection with new employment
In addition to the aforementioned forms of remuneration, it should also be possible to pay remuneration in certain exceptional cases, in accordance with the company's applicable guidelines regarding remuneration to senior executives and remuneration policy, to new staff members in order to attract certain key persons to the company as part of the company's business strategy. Such remuneration shall be limited to the first year of employment.

Termination and severance pay
In the event of termination by the company, the notice period shall not exceed twelve months. In total, the fixed cash salary during the notice period together with the severance pay may not exceed an amount equivalent to the fixed cash salary for a period of eighteen months for the CEO and twelve months for other senior executives. In the event of termination by the executive, the notice period may be a maximum of six months, without the right to severance

pay. Severance pay may also be paid in the form of a specifically agreed pension.

Income that the senior executive earns from other employment or assignments at the time when the severance pay is paid may be deducted from the severance pay.

In addition, remuneration may be awarded for non-completed assignments. Such remuneration should be based on the fixed annual salary at the time of notice of termination, unless otherwise stipulated by mandatory collective agreement provisions, and awarded during the period for which the non-compete clause applies, which shall be a maximum of twelve months after the date of termination of employment. The remuneration shall be reduced by an amount equivalent to the income that the person receives from other sources of income, either from employment or from other independent activities.

Remuneration policy for credit market companies

In addition to these guidelines, the Board of Directors of Qliro has, in accordance with, inter alia, the Swedish Financial Supervisory Authority's regulations regarding remuneration structures (FFFS 2011:1), which covers remuneration structures in credit market companies, in its current wording, and EBA's guidelines for a sound remuneration policy pursuant to Articles 74(3) and 75(2) of the Directive 2013/36/EU and information pursuant to Article 450 of the Regulation (EU) No 575/2013, has established a remuneration policy that includes all employees in Qliro and is compatible with and promotes healthy, efficient risk management and counteracts excessive risk-taking. Information regarding the company's remuneration system is published on the company's website qliro.com.

Salary and employment conditions for employees

In preparing the Board of Directors' proposal for these guidelines, salary and employment conditions for the employees of the company have been taken into account in that information on employees' total remuneration, the components of remuneration and the increase and rate of remuneration over time have formed part of the Remuneration Committee's and the Board's basis for evaluating and determining the reasonableness of the guidelines and the limitations they imply.

The guidelines do not deviate from the remuneration systems that are generally applied within the company for other employees. In other respects as well, the remuneration, forms of remuneration and salary development for senior executives are also assessed to be in line with the salaries and employment conditions of other employees of the company.

The decision-making process

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' proposal for guidelines on remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines on remuneration to senior executives at least every four years and submit it to the Annual General Meeting for a decision. The guidelines shall remain in force until new guidelines are adopted by the Annual General Meeting.

The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines and the current remuneration structures and compensation levels applied in the company.

The members of the Remuneration Committee are independent in relation to Qliro and its management. Neither the CEO nor other members of group management are present at the Board's consideration of and decisions on remuneration-related issues, to the extent that these matters concern them.

Departure from the guidelines

The Board of Directors may temporarily resolve to depart from the guidelines if, in a given instance, there is specific cause for such departure and departure is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability, provided such departure does not violate the Swedish Financial Supervisory Authority's regulations or applicable parts of EBA's guidelines. As stated above, it is part of the Remuneration Committee's remit to prepare the Board's decisions on matters regarding remuneration, including decisions on departures from the guidelines. The reasons for any departures from the guidelines shall be reported and justified by the Board annually in the Remuneration Report. In 2023, the company departed from the Guidelines regarding the established decision-making process, as Qliro's Board resolutions relating to variable remuneration were passed later than normal. The departure was due to a late submission of supporting decision-making data to the Board due to staff rotation. However, payments were made in accordance with the pre-determined schedule and in accordance with agreements entered into with employees. The Board was informed of the departure as soon as it was identified. The payments were judged to be entirely in line with expectations and the Board's intention. Accordingly, the decision was a formality. There were no other departures in 2023.

Employees

Qliro recognizes that its employees are crucial to its operations. Attracting, developing and retaining employees is necessary to achieving success and meeting established targets for growth and business development. During the year, the average employer net promoter score (E-NPS) increased from +23 to +30 (on a scale from –100 to +100). The average number of employees was 188 (210) during the year. More information on Qliro as an employer can be found in Qliro's Sustainability Report on pages 33–37.

SUSTAINABILITY REPORT 2023

Qliro's sustainability work focuses on three main areas: sustainable e-commerce, responsible lending and business, and being an attractive employer. For the financial year 2023, Qliro prepared its first Sustainability Report separate from the Annual Report in accordance with Chapters 6 and 7 of the Swedish Annual Accounts Act. The sustainability report comprises pages 24–37.

RISKS AND RISK MANAGEMENT

As a credit market company, risk is a natural element in Qliro's operations. Risk management is essential to the long-term profitability of the business. To manage risk, Qliro strives continuously to maintain a good risk culture, a high level of risk awareness and a cautious approach to taking risk. The Board of Directors determines Qliro's risk appetite and the overarching structure for internal governance and control. All internal governing documents adopted by the Board are reviewed and updated annually, or more often if needed. The 30 or so policy documents adopted by the Board include the credit policy, operational risk policy, policy for ICLAAP and recovery planning, risk management policy, code of conduct, conflict of interest policy and outsourcing policy.

The Board and the CEO regularly evaluate whether Qliro' overarching risks are monitored and managed effectively and appropriately. The Board has established a committee to support the work relating to Risk, Capital, Audit and Compliance: The Risk, Capital, Audit and Compliance Committee's ("RCACC") tasks include ensuring that risk taking is well-balanced and controlled, monitoring financial reporting, and ensuring that internal control is effective. For more information on the RCACC, see the Corporate Governance Report on page 41.

The company has implemented internal structures, procedures and processes for internal governance in accordance with the Swedish FSA's Regulations and General Guidelines (FFFS 2014:1) regarding governance, risk management and control at credit institutions. The internal governance processes include measures to reduce risks through the three lines of defense model, which is described below.

MODEL WITH THREE LINES OF DEFENSE

To ensure adequate control of risks and compliance with laws, regulations and internal governing documents, Qliro's risk management and internal control are based on three lines of defense.

Board
Remuneration Committee
Risk, Capital, Audit and Compliance Committee ("RCACC")

CEO
Risk, Capital, Audit and Compliance Committee ("RCCC")
Credit Committee
ICLAAP and Recovery Plan Committee
New Product Committee
Interest Committee

First line of defense

Business/Operations
Appointed by: CEO
Reports to: CEO

Own and manage risks

Second line of defense

Risk control
Appointed by: Board
Reports to: Board and CEO

Compliance
Appointed by: CEO
Reports to: Board and CEO

Support the business in regulatory compliance and act as independent risk control

Third line of defense

Internal audit
Appointed by: Board
Reports to: Board

Assess and validate the first and second line of defense

FIRST LINE OF DEFENSE – BUSINESS MANAGEMENT

The first line of defense refers to all risk management performed at an operating level and by support functions. These activities include implementation of relevant governance, risk management and internal controls when these functions take action within their respective area of responsibility. As a result, Qliro's first line of defense is the risk owner within each individual business unit. These individuals must identify, assess, control and internally report risks within their own operations.

SECOND LINE OF DEFENSE – INDEPENDENT CONTROL FUNCTIONS

The second line of defense consists of Qliro's risk control function and compliance function. These functions are separate from Qliro's business operations and from each other and are responsible, in accordance with their respective policies, for monitoring and controlling that Qliro's business units manage relevant risks and for providing advice to and supporting Qliro's employees, the CEO and Board of Directors to act in accordance with internal and external rules and regulations.

Qliro's risk control function and compliance function report to the Board and to CEO, and are directly subordinate to the CEO. The members of the functions have knowledge of risk management methods and processes, as well as legal requirements. The Board determines annual plans for the risk control and compliance functions.

THIRD LINE OF DEFENSE - INDEPENDENT INERNAL AUDIT

The third line of defense consists of Qliro's internal audit function, which is an independent audit function directly subordinate to the Board of Directors. The internal audit function is responsible for reviewing and evaluating Qliro's first and second lines of defense in accordance with its policy. The purpose of the internal audit function is to improve Qliro's risk management, governance and internal control. Qliro has outsourced its internal audit function.

INDEPENDENT CONTROL FUNCTIONS

Risk control function

The Board of Directors has a subordinated Risk control function whose work is based on policy documents and instructions adopted by the Board. The Risk control function is responsible for independently reviewing and analyzing Qliro's risks and risk management.

The responsibilities of the Risk control function include identifying new risks that can arise as a result of changing circumstances, monitoring the first line of defense, assessing whether new business initiatives could lead to increased risk exposure, offering support and training to employees so that risk management and reporting are conducted in accordance with the internal framework, and ensuring compliance with internal risk management rules, processes and procedures, and, when necessary, proposing changes to them. The Risk control function also participates in Qliro's New Product Approval Process (NPAP).

The Risk control function reports its findings to the Board, CEO and RCACC. The reports includes a summary of key results obtained in the review of the implementation of internal rules, completed controls and review activities, any new risks identified, monitoring of risk exposure, and risk appetite level. The risk control function will also, where applicable or where requested by the Board or the CEO, provide interim reports between other reports. Further, the CEO will be immediately informed when a serious violation of the external regulatory framework and/or internal policies has been identified, including any risks related to levels that the risk control function is responsible for monitoring, or if any other significant event has been identified.

Compliance function

The company has established a Compliance function whose work is based on policy documents and instructions adopted of the Board. The Compliance function is part of Qliro's second line of defense. The Compliance function is responsible for independently supporting and reviewing operations as part of its work to ensure compliance with laws, regulations and internal rules, as well as generally accepted practices or approved standards for credit market companies and their operations.

The Compliance function continuously monitors Qliro's operations with respect to compliance. The means, tools and methods chosen for monitoring is based on the results of the risk assessments and the specific circumstances that apply to Qliro. The Compliance function coordinates its monitoring and follow-up with Qliro's other control functions and ensures that measures decided by the Board and the CEO are implemented.

Moreover, the Compliance function is responsible for ensuring that employees receive information and training on new or revised internal and external governing documents. The Compliance function also participates in Qliro's NPAP and is consulted in the event of significant changes to existing products and services.

The Compliance function reports its findings to the Board, CEO and RCACC. The reports include Qliro's compliance risks, any new identified compliance risks, shortcomings, relevant sanctions and decisions made by supervisory authorities. The CEO is immediately informed if a serious violation of the external framework and/or internal policies has been identified, or if any other significant event has been identified.

Internal audit function

Qliro has outsourced its internal audit to an external consultant, Deloitte AB. The scope of the outsourced services is set out in a written agreement, according to which Deloitte AB must perform the services in accordance with applicable laws, regulations, practices and written instructions for the audit adopted by the Board of Directors, as well as the audit plan adopted by the Board. The internal audit function's responsibilities include reviewing and evaluating whether Qliro's organization, governance, processes, IT systems, models and processes are effective, reviewing and evaluating Qliro's risk management based on its established risk strategy and risk appetite, the reliability and quality of the work performed within Qliro's other control functions, and follow up on measures taken in accordance with the internal audit function's recommendations. The internal audit function is directly subordinated to the Board of Directors.

The internal audit function reports its observations to the Board of Directors, the CEO and RCACC, and present its reports at the RCAC's meetings. The reports include the results of audits, proposed changes and improvements, and a follow-up on the status of previously reported observations.

Risk management process

Qliro's risk management is based on the model with three lines of defense, as described above. The risks that could materially impact Qliro's strategic, operational, reporting and compliance goals must be managed correctly and satisfactorily. Qliro systematically assesses the risks that the company faces to identify, analyze and evaluate current and potential risks and how they are handled and reported. This assessment is done through the risk management process, which is comprised of six steps: risk identification, risk analysis, risk assessment, risk management, risk monitoring and reporting. The first line of defense is responsible for identifying possible risks that threaten Qliro's operations, products, activities, processes and systems. The risk control function verifies whether the identified risks are relevant and provide recommendations on additional improvements. One of the outcomes of the risk identification process is the risk profile, i.e., a summary of the risks that Qliro is or could be exposed to.

The risk analysis is the second step in the risk management process, where each risk is assessed in order to prioritize management of risks and established risk limits. The risks are classified as high, medium-high, medium or low with respect to the impact of and likelihood that various risks will arise. After the risk analysis, a risk assessment is performed by the risk control function, where the goal is to evaluate whether the existing control environment is effectively reducing the risks. If not, the first line of defense must evaluate further action to control and reduce the risks, which leads to the risk management stage.

The risk management stage involves selecting alternatives to modify risks.
Risk management is a cyclical process which consists of:

- evaluating the management of a risk;
- deciding whether the remaining risk levels are acceptable;
- if they are not acceptable, generating a new risk management approach and assessing the effectiveness of the new management approach.

To ensure that Qliro's operations are conducted within the risk limits and that the control environments are effective, the risk control function has also established a risk monitoring process. The monitoring process comprises a number of different activities, e.g., the self-assessment process, reviews of processes, sampling and evaluations of the risk indicators generated by the first line of defense. The results from the monitoring process are reported to appointed forums in accordance with Qliro's internal governance. For more information on Qliro's risks and risk management, see note 3 on pages 53–55.

OUTLOOK

In 2023, Qliro introduced strategic measures aimed at strengthening its market position and creating long-term value for shareholders. Qliro has successfully implemented a profitability program, which strengthened its financial position and enabled significant investments in technology and organizational development. These measures have created a more stable foundation for the company's growth ambitions. Given the record number of connected merchants on Qliro's platform and ongoing merchant dialogs, as well as the planned expansion into Norway, Qliro foresees good growth potential over the coming years.

OWNERSHIP STRUCTURE

Qliro's share has been listed on Nasdaq Stockholm since October 2020. At year-end, the last price paid for the Qliro share was SEK 21.00.

The 10 largest shareholders registered in their own names as of December 31, 2023

Rite Ventures	24.3%
Avanza Pension	9.9%
Mandatum Private Equity	9.2%
Staffan Persson	4.5%
Christoffer Rutgersson	4.0%
Nordnet Pensionsförsäkring	3.9%
Patrik Enblad	3.0%
Thomas Krishan	2.8%
Peter Lindell	2.4%
Mikael Kjellman	1.6%
Total	**64.3%**

DIVIDEND

The Board of Directors proposes that the Annual General Meeting 2024 resolve not to pay a dividend for the financial year 2023.

Proposed appropriation of profits

The following amounts are at the disposal of the shareholders as of December 31, 2023 (SEK):

The following profits are at the disposal of the Annual General Meeting:

Retained earnings	241,799,572
Share premium reserve	21,713,505
Fair value reserve	-3,982,028
Profit/loss for the year	3,523,507
Total	**263,054,556**

The Board of Directors proposes that earnings and unrestricted reserves be distributed as follows:

To be carried forward	263,054,556
Of which fair value reserve	-3,982,028

EVENTS AFTER THE END OF THE PERIOD

- The Extraordinary General Meeting authorized, in accordance with the Board's proposal, a long-term incentive program for 2024, including issue and transfer of warrants, and a short-term incentive program for 2024.
- Qliro appointed new payment partner of enterprise merchants Skruvat Reservdelar and Bythjul Norden.
- The Swedish FSA informed Qliro of its decision regarding its review and evaluation process (ÖUP) for 2023. Since December 31, 2023, Qliro satisfies the new capital adequacy requirements and the capital guidance that came into effect on March 21, 2024.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK million	Note	2023	2022
Interest income		372.8	288.9
Interest expenses		-100.8	-50.4
Net interest income	5	**272.0**	**238.5**
Commission income[1]	6	184.1	185.0
Commission expenses	7	-7.4	-9.3
Net profit/loss from financial transactions	8	-1.4	-4.0
Other operating income		1.2	0.6
Total operating income		**448.5**	**410.9**
General administrative expenses	9, 10, 11	-226.2	-279.9
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	12	-73.1	-105.6
Other operating expenses	13	-19.3	-24.8
Total expenses before credit losses		**-318.6**	**-410.3**
Profit/loss before credit losses		**129.9**	**0.6**
Net credit losses	14	-121.7	-116.1
Operating profit		**8.2**	**-115.5**
Income tax expense	15	-4.1	22.0
Profit/loss for the year		**4.1**	**-93.5**
Earnings per share before and after dilution, SEK	35	**0.22**	**-4.90**

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount was SEK 18.0 million.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	2023	2022
Profit/loss for the year	**4.1**	**-93.5**
Other comprehensive income		
Items that can be reversed to the income statement		
Financial assets recognized at fair value through other comprehensive income (net of tax)	-0.1	-3.9
Other comprehensive income for the year	**-0.1**	**-3.9**
Comprehensive income for the year	**4.0**	**-97.4**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	2023	2022
Assets			
Lending to credit institutions	16	101.0	900.6
Lending to the public	17	2,612.5	2,686.6
Bonds and other fixed-income securities	18	616.1	293.6
Intangible assets	20	198.7	168.7
Property, plant and equipment	21	16.8	13.9
Deferred tax assets		56.0	60.2
Other assets	22	61.7	58.5
Derivatives	27	–	1.7
Prepaid expenses and accrued income	23	32.1	21.1
Total assets		**3,694.9**	**4,204.9**
Liabilities and equity			
Liabilities			
Deposits and borrowing from the public	24	2,950.9	3,320.5
Other liabilities	25	106.0	228.6
Derivatives	26	0.4	–
Accrued expenses and deferred income	27	57.4	85.3
Subordinated liabilities	28	100.0	100.0
Total liabilities		**3,214.7**	**3,734.4**

SEK million	Note	2023	2022
Equity	29		
Share capital		53.4	53.4
Reserves		-4.0	-3.9
Retained profit or loss		426.7	514.5
Profit/loss for the year		4.1	-93.5
Total equity		**480.2**	**470.5**
Total liabilities and equity		**3,694.9**	**4,204.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Share premium reserve	Fair value reserve	Retained earnings including profit for the year	Total equity
Opening balance Jan 1, 2022	**50.3**	**2.5**	**-0.1**	**495.3**	**548.1**
Profit after tax recognized in the Income Statement	–	–	–	-93.5	-93.5
Other comprehensive income after tax	**–**	**–**	**-3.9**	**–**	**-3.9**
Total comprehensive income for the year	**–**	**–**	**-3.9**	**-93.5**	**-97.4**
Total transactions recognized directly in equity					
New issue of shares	3.1	–	–	16.7	19.8
Closing balance, Dec 31, 2022	**53.4**	**2.5**	**-3.9**	**418.5**	**470.5**
Opening balance, Jan 1, 2023	**53.4**	**2.5**	**-3.9**	**418.5**	**470.5**
Profit after tax recognized in the Income Statement	–	–	–	4.1	4.1
Other comprehensive income after tax	**–**	**–**	**-0.1**	**–**	**-0.1**
Total comprehensive income	**–**	**–**	**-0.1**	**4.1**	**4.0**
Total transactions recognized directly in equity					
Issue of warrants	–	–	–	2.6	2.6
Warrants, repurchased	–	–	–	-0.1	-0.1
Share-based remuneration	–	–	–	3.3	3.3
Deferred tax	–	–	–	-0.2	-0.2
Closing balance, Dec 31, 2023	**53.4**	**2.5**	**-4.0**	**428.2**	**480.2**

CONSOLIDATED CASH FLOW STATEMENT

SEK million	2023	2022
Operating activities		
Operating profit	8.2	-115.5
Adjustments		
– Depreciation and amortization	73.1	105.6
– Net credit losses	121.7	116.1
– Commission income	-184.1	-185.0
– Interest income	-372.8	-288.9
- Interest expenses	100.8	50.4
– Unrealized exchange rate differences	0.5	-0.1
Tax paid	–	0.0
Commission received	173.0	215.5
Interest received	354.8	282.0
Interest paid	-86.3	-47.3
Increase/decrease in securities	-322.6	56.6
Increase/decrease in lending to the public	-31.0	-38.4
Increase/decrease in other claims/liabilities	-147.3	137.8
Increase/decrease in deposits and borrowings from the public	-384.0	1,086.8
Increase/decrease in liabilities to credit institutions	–	-452.2
Cash flow from operating activities	**-696.0**	**923.3**

SEK million	2023	2022
Investing activities		
Acquisition of property, plant and equipment	-1.8	-2.8
Acquisition of intangible assets	-94.9	-88.9
Cash flow from investing activities	**-96.7**	**-91.6**
Financing activities		
Amortization lease	-5.6	-8.2
New issue of shares	–	18.7
Warrants issue	2.5	1.1
Cash flow from financing activities	**-3.1**	**11.6**
Cash flow for the year	**-795.8**	**843.2**
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	900.6	57.5
Exchange rate differences in cash and cash equivalents	-3.8	–
Cash flow for the year	-795.8	843.2
Cash and cash equivalents at the end of the year	**101.0**	**900.6**

PARENT COMPANY INCOME STATEMENT

SEK million	Note	2023	2022
Interest income		372.7	288.9
Interest expenses		-100.4	-50.3
Net interest income	5	**272.4**	**238.6**
Commission income[1]	6	184.1	185.0
Commission expenses	7	-7.4	-9.3
Net profit/loss from financial transactions	8	-1.4	-4.0
Other operating income		1.1	0.6
Total operating income		**448.8**	**411.0**
General administrative expenses	9, 10, 11	-231.8	-288.1
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	12	-68.4	-97.4
Other operating expenses	13	-19.3	-24.8
Total expenses before credit losses		**-319.6**	**-410.2**
Profit/loss before credit losses		**129.2**	**0.8**
Net credit losses	14	-121.7	-116.1
Operating profit		**7.5**	**-115.3**
Income tax expense	15	-4.0	22.0
Profit/loss for the year		**3.5**	**-93.3**
Earnings per share before and after dilution, SEK	36	**0.18**	**-4.89**

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount was SEK 18.0 million.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	2023	2022
Profit/loss for the year	**3.5**	**-93.3**
Other comprehensive income		
Items that can be reversed to the income statement		
Financial assets recognized at fair value through other comprehensive income (net of tax)	-0.1	-3.9
Other comprehensive income for the year	**-0.1**	**-3.9**
Comprehensive income for the year	**3.4**	**-97.2**

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK million	Note	2023	2022
Assets			
Lending to credit institutions	16	98.0	898.1
Lending to the public	17	2,612.5	2,686.6
Bonds and other fixed-income securities	18	616.1	293.6
Shares and units	19	0.1	0.1
Intangible assets	20	198.7	168.7
Property, plant and equipment	21	6.1	7.9
Deferred tax assets		56.2	60.2
Other assets	22	64.6	61.0
Derivatives	27	–	1.7
Prepaid expenses and accrued income	23	33.5	21.0
Total assets		**3,685.8**	**4,198.9**
Liabilities and equity			
Liabilities			
Deposits and borrowing from the public	24	2,950.9	3,320.5
Other liabilities	25	96.5	221.8
Derivatives	26	0.4	–
Accrued expenses and deferred income	27	57.4	85.3
Subordinated liabilities	28	100.0	100.0
Total liabilities		**3,205.3**	**3,727.6**

SEK million	Note	2023	2022
Equity	29		
Restricted equity			
Share capital		53.4	53.4
Reserve for development costs		164.1	127.5
Total restricted equity		**217.5**	**180.9**
Non-restricted equity			
Reserves		-4.0	-3.9
Share premium reserve		21.7	19.2
Retained profit or loss		241.8	368.3
Profit/loss for the year		3.5	-93.3
Total non-restricted equity		**263.1**	**290.4**
Total equity		**480.6**	**471.3**
Total liabilities and equity		**3,685.8**	**4,198.9**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Non-restricted equity				
SEK million	Share capital	Reserve for devel-opment costs	Share premium reserve	Fair value reserve	Retained profit	Profit/loss for the year	Total equity
Opening balance, Jan 1, 2022	**50.3**	**116.5**	**2.5**	**-0.1**	**419.0**	**-39.6**	**548.7**
Reallocation of previous year's profit	–	–	–	–	-39.6	39.6	–
Profit after tax recognized in the Income Statement	–	–	–	–	–	-93.3	-93.3
Other comprehensive income after tax	–	–	–	-3.8	–	–	-3.8
Total comprehensive income	**–**	**–**	**–**	**-3.8**	**-39.6**	**-53.7**	**-97.1**
Total transactions recognized directly in equity							
Reallocation of capitalized development costs	–	11.0	–	–	-11.0	–	–
New issue of shares	3.1	–	16.7	–	–	–	19.8
Total transactions recognized directly in equity	**3.1**	**11.0**	**16.7**	**–**	**-11.0**	**–**	**19.8**
Closing balance Dec 31, 2022	**53.4**	**127.5**	**19.2**	**-3.8**	**368.3**	**-93.3**	**471.3**
Opening balance Jan 1, 2023	**53.4**	**127.5**	**19.2**	**-3.9**	**368.3**	**-93.3**	**471.3**
Reallocation of previous year's profit	–	–	–	–	-93.3	93.3	–
Profit after tax recognized in the Income Statement	–	–	–	–	–	3.5	3.5
Other comprehensive income after tax	–	–	–	-0.1	–	–	-0.1
Total comprehensive income	**–**	**–**	**–**	**-0.1**	**-93.3**	**96.8**	**3.4**
Total transactions recognized directly in equity							
Reallocation of capitalized development costs	–	36.6	–	–	-36.6	–	–
Issue of warrants	–	–	2.6	–	–	–	2.6
Warrants, repurchased	–	–	-0.1	–	–	–	-0.1
New issue of shares	–	–	–	–	3.3	–	3.3
Total transactions recognized directly in equity	–	**36.6**	**2.5**	**–**	**-33.2**	**–**	**5.8**
Closing balance, Dec 31, 2023	**53.4**	**164.1**	**21.7**	**-4.0**	**241.8**	**3.5**	**480.6**

PARENT COMPANY CASH FLOW STATEMENT

SEK million	2023	2022
Operating activities		
Operating profit	7.5	-115.3
Adjustments		
– Depreciation and amortization	68.4	97.4
– Net credit losses	121.7	116.1
– Commission income	-184.1	-185.0
– Interest income	-372.7	-288.9
- Interest expenses	100.4	50.3
– Unrealized exchange differences	0.5	-0.1
Tax paid	–	–
Commission received	173.0	215.5
Interest received	354.8	282.0
Interest paid	-85.9	-47.3
Increase/decrease in securities	-322.6	56.5
Increase/decrease in lending to the public	-31.0	-38.4
Increase/decrease in other claims/liabilities	-147.9	137.8
Increase/decrease in deposits and borrowings from the public	-384.0	1,086.8
Increase/decrease in liabilities to credit institutions	0.0	-452.2
Cash flow from operating activities	**-702.0**	**915.1**

SEK million	2023	2022
Investing activities		
Acquisition of property, plant and equipment	-1.8	-2.8
Acquisition of intangible assets	-94.9	-88.9
Cash flow from investing activities	**-96.7**	**-91.6**
Financing activities		
New issue of shares	–	18.7
Warrants issue	2.5	1.1
Cash flow from financing activities	**2.5**	**19.8**
Cash flow for the year	**-796.2**	**843.2**
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	898.1	54.9
Exchange rate differences in cash and cash equivalents	-3.8	–
Cash flow for the year	-796.2	843.2
Cash and cash equivalents at the end of the year	**98.0**	**898.1**

NOTES

NOTE 1 COMPANY INFORMATION

The Parent Company Qliro AB (publ), Corp. ID no. 556962-2441, has a license from the SFSA to operate as a credit market company. The Parent Company's shares have been listed on Nasdaq Stockholm under the ticker "QLIRO" since October 2, 2020. Qliro conducts its operations in the Nordic region and its head office is located in Stockholm, Sweden. The operations comprise payment solutions, consumer financing, personal loan products and savings accounts in the Nordic market and Germany through a collaboration with Deposit Solutions GmbH.

Qliro is a limited liability company in Sweden with its registered office in Stockholm. The head office is at Sveavägen 151, Stockholm, Sweden.

As of December 31, 2019, Qliro AB acquired the subsidiary Qliro Incitament AB, thereby forming a Group (Note 19).

The Annual Report and Consolidated Financial Statements were approved for issue and publication by the Board and CEO on April 19, 2024. The Consolidated Statement of Financial Position and Other Comprehensive Income and the Statement of Financial Position, as well as the Parent Company Income Statement and Balance Sheet, are subject to adoption by the Annual General Meeting on May 17, 2024.

NOTE 2 ACCOUNTING POLICIES

Compliance with standards and laws

The Consolidated Accounts of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretive statements on these standards as approved for application within the EU. Supplementary information ensuing from the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), as well as the Swedish Financial Supervisory Authority's regulations and general advice on annual accounts for credit institutions and securities companies (FFFS 2008:25), have been applied. RFR 1 Complementary Accounting Rules for Groups and the statement from the Swedish Financial Reporting Board have also been applied in the Consolidated Accounts.

Parent Company financial information has been prepared in accordance with Annual Accounts Act for Credit Institutions and Securities Companies as well as the SFSA's regulations and general advice on annual accounts for credit institutions and securities companies (FFFS 2008:25). The Parent Company also applies RFR 2 Accounting for Legal Entities and statements by the Swedish Financial Reporting Board. In accordance with the Swedish Financial Supervisory Authority's general advice, the Parent Company has applied international financial reporting standards as approved by the EU in the preparation of the financial reports.

The accounting principles stated below have been applied consequently in all periods presented in the financial reports, unless otherwise stated.

Valuation methods used in preparing the company's financial statements

Assets and liabilities are recognized at historical cost. Financial assets and liabilities are recognized at amortized cost, except for certain financial assets and liabilities that are measured at fair value.

Changed accounting policies with future application

Changed accounting policies with future application are not expected to have a significant effect on Qliro's financial reporting, capital adequacy or major exposures when applied for the first time.

Future regulatory changes

For the next financial year, no new regulatory changes have been introduced that can be expected to have a material impact on the Group.

Summary of key accounting policies

Transactions in foreign currency

Qliro's functional currency is Swedish krona (SEK). The foreign operations have EUR, DKK and NOK as their functional currencies. The operations are translated to Qliro's functional currency as follows. Transactions in foreign currency are translated to SEK at the exchange rates applicable on the transaction date. Monetary assets and liabilities in foreign currency are translated to SEK at the exchange rate applicable on the record date. Non-monetary assets and liabilities in foreign currency are translated to SEK at the exchange rate prevailing on the transaction date.

Fair value changes in securities in foreign currency, which are classified at fair value in Other comprehensive income, are divided between translation differences due to changes in the amortized cost of the security and other changesin the carrying amount of the security. Translation differences attributable to other changes in amortized cost are recognized through profit or loss under the item Net profit/loss from financial transactions. Other changes in carrying amount are recognized in Other comprehensive income.

Exchange rate differences for non-monetary financial assets and liabilities classified as financial instruments measured at fair value through profit or loss are recognized as part of the gains or losses on fair value under Net income from financial transactions. Exchange differences arising on the translation of Balance Sheet items denominated in foreign currency at the closing day rate are recognized in the Income Statement under Net profit/loss from financial transactions.

NOTE 2 ACCOUNTING PRINCIPLES CONT.

Interest and commission
Interest income and interest expenses
Income is recognized according to the effective interest method or when the identified performance commitments have been fulfilled.

Recognition of interest income from the financial assets and liabilities measured at amortized cost is calculated according to the effective interest method. When a financial asset or liability is valued at amortized cost, interest income or interest expenses are distributed over the period in question. The effective interest rate corresponds to the interest rate used to calculate future cash flow at the recognized value of the financial asset or liability. The estimated future cash flows used in the calculation include all fees that are an integral part of the effective interest rate.

The interest income calculated using the effective interest method consists of interest from payment solution products and personal loans which are recognized as lending to the public.

Commission income and commission expenses
Commission income is recognized as income in the period in which it is earned and primarily comprises lending commission related to payment solutions products and other payment services. Costs for services received are recognized under commission expenses to the extent that they are not considered to comprise interest.

Arrangement fees are considered to form an integral part of the effective interest rate and are reported under interest income in accordance with IFRS9.

Net profit/loss from financial transactions
Net profit/loss from financial transactions comprises realized and unrealized changes in value arising from financial transactions, such as exchange rate variations.

General administrative expenses
General administrative expenses include personnel expenses such as salaries, bonuses and commission, pension costs, employer's contributions and other social security contributions. General administrative expenses also include costs for office premises, postage, printing, credit checks, IT, fees and other administration.

Remuneration to employees
(a) Short-term employee benefits
Short-term employee benefits are calculated without discounting and recognized as an expense when the related services are provided.

b) Pension costs
Qliro's pension plans are financed through payments to insurance companies. Qliro only utilizes defined contribution pension plans. Defined contribution plans are plans under which Qliro pays fixed contributions into a separate legal entity. Qliro does not have any legal or informal obligation to pay additional contributions in the event that such legal entity were to have insufficient assets to make all pension payments to employees associated with the current or past service of employees.

In a defined contribution pension plan, Qliro pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Qliro has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Severance pay
Severance pay is paid when an employee's employment has been terminated by Qliro before the normal retirement date or when an employee accepts voluntary redundancy in exchange for such compensation. Qliro recognizes severance pay when the Group is demonstrably committed either to terminate employment according to a detailed formal plan without an option of withdrawal or to provide compensation in a case of termination of employment as a result of an offer made to encourage voluntary redundancy. Benefits that are due more than 12 months after the record date are discounted to present value.

Group contributions
All Group contributions paid and received between Qliro and its subsidiaries are recognized under appropriations in the Income Statement.

Taxes
The current tax expense is calculated based on tax regulations that have been enacted or substantively enacted as of the the record date in the country where Qliro operates and generates taxable income, i.e. Sweden. Management regularly reviews the claims made in tax returns for situations where applicable tax rules are subject to interpretation and, when deemed necessary, makes provisions for amounts that are likely to be paid to the tax authorities.
Income tax is recognized directly in the Income Statement.

Deferred tax assets are recognized to the extent that it is probable that tax surpluses will be available in the future against which temporary differences can be utilized. Amounts allocated to untaxed reserves comprise taxable temporary differences. Because of the connection between accounting and taxation, the deferred tax liability attributable to the untaxed reserves is not recognized separately. These have thus been recognized in a gross amount in the Balance Sheet. Appropriations are recognized at a gross amount in the Income Statement.

Financial assets
Under IFRS 9, financial assets are divided into the following categories: amortized cost, fair value through comprehensive income and fair value in the Income Statement.

The classification of each category of financial assets is governed by the objective of the company's business model for holding the financial instruments, and whether the contractual cash flows of the instruments solely comprise payments of principal and interest.

Qliro has three types of financial assets:
(a) (a) Financial assets measured at amortized cost
Financial assets measured at amortized cost are debt instruments that are held for the objective of realizing the instruments' cash flows by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. g. By way of exception, sales may occur, e.g. due to disruptions in the capital and money market or close to the maturity date of the instrument.

Amortized cost is determined based on the effective interest rate calculated at the acquisition date. Assets in this category are subject to provisions for expected credit losses.

(b) Financial assets measured at fair value in Other comprehensive income
Debt instruments are recognized in Financial assets measured at fair value through other comprehensive income when the objective is to realize cash flows by collecting contractual cash flows and by selling the instrument. A requirement for a financial asset to be recognized in this category is that the contractual cash flows are solely comprise payment of the principal amount outstanding and interest on the principal amount outstanding.

Unrealized gains and losses are recognized in Other comprehensive income and accumulated in the Fair value reserve in equity.
In connection with the disposal of the asset, the reserve is reclassified to the Income Statement.

(c) Financial assets and liabilities measured at fair value in the Income Statement
Financial assets and liabilities valued at fair value in the Income Statement are valued at fair value excluding transaction costs. The company values derivatives at fair value in the Income Statement as these do not meet the requirements for recognition at amortized cost or fair value in Other comprehensive income. As hedge accounting is not applied, changes in fair value are recognized in Net income from financial transactions.

Recognition and measurement
Purchases and sales of financial assets are recognized on the transaction date, which is the date when Qliro undertakes to buy or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value in the Income Statement. Financial assets measured at fair value in the Income Statement are initially measured at fair value, while the related transaction costs are recognized in the Income Statement.

NOTE 2 ACCOUNTING PRINCIPLES CONT.

Financial assets are derecognized from the Balance Sheet when the right to collect cash flows from the instrument has expired or been transferred and Qliro has essentially transferred all the risks and rewards associated with ownership. If the risks and rewards associated with ownership of the financial asset are neither transferred nor retained, Qliro will assess whether it has relinquished control. If Qliro assesses that it has relinquished control, the financial asset is derecognized from the Balance Sheet. If Qliro assesses that it has not relinquished control, the company will continue to recognize the asset to the extent to which it has a continuing involvement in the asset.

Gains and losses arising from changes in fair value in financial assets measured at fair value through the Income Statement are recognized as revenue in the period when they are realized and included in Net profit/loss from financial transactions in the Income Statement. Unrealized gains and losses are recognized in Other comprehensive income.

Impairment of financial assets
Loss provisions are established for lending to the public and on all Balance Sheet items measured at amortized cost. Loss provisions are also recognized for fixed-income securities measured at fair value in Other comprehensive income and off-balance exposures, granted loan commitments (e.g. unutilized bank overdraft facilities) and financial guarantees. A derecognition reduces the recognized gross amount of the financial asset. Derecognition takes place when the amount of the loss is finally established and is recognized under credit losses, and represents the amount before utilizing previously made provisions.

The reserve for credit losses is measured according to a model for expected credit losses and reflects a probability-weighted amount determined by evaluating a number of possible outcomes, taking into consideration all reasonable and verifiable information available on the reporting date without unreasonable costs or efforts. The provisions for credit losses are measured on the basis of whether a significant increase in the credit risk has occurred compared with initial recognition of an instrument.

- Stage 1 includes financial instruments whose credit risk has not increased significantly since initial recognition.
- Stage 2 includes financial instruments whose credit risk has increased significantly since initial recognition but where there is no objective evidence that the receivable is bad at the reporting date.
- Stage 3 includes financial instruments where there is objective evidence that the receivable is bad.

For financial instruments attributable to stage 1, the loss provision corresponds to the 12-month expected credit losses, and for financial instruments in stage 2 where a significant increase in credit risk has been identified and bad debts in stage 3, the loss provision corresponds to the expected credit losses for the full lifetime of the financial instrument. The expected credit losses for the financial instrument's remaining maturity represent losses from all default events which are possible during the financial instrument's remaining maturity. The 12-month expected credit losses represent the portion of expected credit losses for the full lifetime of the financial instrument caused by loss events within 12 months of the reporting date.

Recognition of expected credit losses – lending to the public

Determination of a significant increase in credit risk
An exposure that is subject to a significant increase in credit risk is no longer included in stage 1 but in stage 2 (provided that it is not credit-impaired, in which case it is included in stage 3). Qliro separately assesses whether credit risk has increased significantly for each individual exposure. The quantitative method used to assess an increase in credit risk comprises a forward-looking estimate of the risk of default of each individual exposure, defined as the exposure having unpaid amounts that are more than 90 days past due. This method involves calculating such risk variables as probability of default, loss given default, etc. for each individual exposure. Depending on the probability of default that an exposure initially had, different increases in the probability of default on the most recent measurement date are required in order for the credit risk to be deemed to have increased significantly. In general, a lower initial calculation of the probability of default means that a smaller increase in the probability of default is required before the credit risk is considered to have increased significantly. The credit risk is always considered to have increased significantly for exposures with unpaid amounts that are more than 30 days past due. If the estimate of probability of default in the method reduces so that it again falls below the threshold values for a significant increase in credit risk, the exposure is transferred from stage 2 back to stage 1, on the condition that the exposure does not include unpaid amounts that are more than 30 days past due.

Credit-impaired loans
Similar to previous policies, loss provisions are recognized on the full lifetime of credit-impaired exposures (previously known as bad debts) when one or more events that have a negative impact on the estimated future cash flows for the financial asset have occurred (stage 3). An exposure is considered to be credit-impaired when the exposure has unpaid amounts that are more than 90 days past due. If an exposure that was considered to be credit-impaired no longer is credit-impaired, it is transferred to either stage 2 (if the exposure can still be deemed to have caused a significant increase in credit risk) or to stage 1.

Measurement of expected credit losses
Expected credit losses are calculated for individual credit exposures as the discounted total of probability of default (PD), credit exposure at default (EAD), loss given default (LGD) and macroeconomic factors (MF). The Institution's definition of default is closely aligned with the regulatory definition of default since it is used in credit risk management and includes exposures that include unpaid amounts that are more than 90 days past due. PD corresponds to the probability of an exposure defaulting at a given point in time during a 12-month horizon for stage 1 exposures or during the expected life time of the financial assets for stage 2 and stage 3 exposures. EAD corresponds to an expected credit exposure at the time of default after considering the expectation of repayments as well as interest and fees imposed. LGD corresponds to the expected credit loss on a defaulted credit exposure, taking into account expected payments after the date of default and expected sales prices of the remaining exposure. MF corresponds to the expected impact on the credit loss relating to macroeconomic factors, further description below. Expected credit losses are determined by calculating the PD, LGD, EAD and MF for each exposure. These parameters are multiplied by the outstanding balance on the reporting date and discounted to estimate the expected credit loss.

When calculating the expected credit losses, the Institution considers three scenarios (a base scenario, a positive scenario and a negative scenario), where the scenario currently used is set by a combination of quantitative macroeconomic variables and qualitative assessments of the external environment. The quantitative variables used are the GDP gap, unemployment, stock market volatility and interest rate levels. The qualitative assessments are designed to be broad in order to span many different outcomes with possible impact on credit risk that the quantitative variables miss, and cover, but are not limited to, political turmoil, liquidity and general market sentiment. At any given time, only a macroeconomic scenario affects the expected credit losses. In cases where the effect of relevant factors is not captured by risk models, Qliro uses expert adjustments.

Modifications
When a loan is modified but not derecognized from the Balance Sheet, significant increases in credit risk compared with the original credit risk level continue to be made for impairment purposes. These modifications do not automatically result in a decrease in credit risk and all indicators continue to be assessed. Furthermore, a modification gain or loss will also be recognized in the Income Statement. When a loan is modified and derecognized from the Balance Sheet, the date on which the modification was made is considered to be the initial reporting date of the new loan for the purpose of assessing impairment, including the assessment of significant increases in credit risk.

Presentation of credit losses
For financial assets measured at amortized cost, provisions for credit losses are presented in the Balance Sheet as a reduction in the recognized gross value of the asset, to obtain the recognized net value.

Changes in provisions for credit losses and write-offs are recognized as credit losses in profit or loss. Any recoveries of write-offs or provisions are recognized as income within credit losses.

Financial liabilities
All Qliro's financial liabilities - borrowing, deposits and other financial liabilities such as accounts payable - are recognized at amortized cost.

NOTE 2 ACCOUNTING PRINCIPLES CONT.

Derivatives
All derivatives are recognized in the Balance Sheet and measured at fair value. Derivatives with positive fair value are recognized on the asset side under Other assets. Derivatives with negative fair values are recognized on the liability side under Other liabilities. Realized and unrealized gains and losses on derivatives are recognized under the item Net profit/loss from financial transactions in the Income Statement.

Leasing
An agreement is, or contains, a lease agreement if the agreement assigns the right to decide over a period of use over an identified asset in exchange for compensation. Qliro's leasing agreements primarily consist of premises leases, as well as leases of IT equipment, where applicable.

Group reporting
A right of use asset and a lease liability are recognized at the start date of the lease. The lease liability is initially valued at the present value of remaining leasing fees during the estimated lease period. The right to use the asset is initially valued at cost, which consists of the initial value of the lease debt with the addition of leasing fees paid on or before the commencement date plus any initial direct expenses. The right of use is amortized on a straight-line basis over the lease period. The value of the debt is increased by the interest cost for each period and reduced by the lease payments. Interest expenses are calculated as the value of the debt multiplied by the discount rate.

For leasing contracts with a lease period of 12 months or less or with an underlying asset of low value, below SEK 50,000, no right of use asset and leasing debt are recognized. Leasing fees for these leases are recognized as a cost on a straight-line basis over the lease period.

Reporting in Qliro AB
In accordance with the exception in RFR 2, Qliro AB recognizes all leases without activation of right of use assets and leasing debt. Leasing fees are instead reported as a cost on a straight-line basis over the lease period.

Intangible assets
Intangible assets primarily comprise proprietary and acquired intangible assets of significant value to the operations in future years. The assets are recognized at cost less accumulated amortization and impairment.

Intangible assets are recognized when the following criteria have been met:
- there is an identifiable asset
- the company has control of the asset and it is probable that the economic benefits attributable to the asset will flow to the company,
- the cost of the asset can be measured reliably, and there is adequate, technical, financial and other resources available to complete development and utilize or sell the intangible asset.

The cost of the intangible asset comprises directly attributable expenses, such as expenses for employees and materials. Other development costs, that do not meet these criteria, are expensed when they arise.

Development costs previously expensed are not recognized as an asset in subsequent periods. Development costs recognized as an intangible asset are amortized over their estimate useful live, when the asset can be used. Amortization takes place on a straight line basis over the estimated useful life of the asset, which varies between 3–10 years. Useful lives are reviewed every year.

Property, plant and equipment
Property, plant and equipment are recognized when it is probable that the future economic benefits associated with the asset will flow to the company, and the cost of the asset can be measured reliably. Property, plant and equipment are recognized at cost less accumulated depreciation and impairment. Depreciation takes place on a straight line basis over the expected useful life of the asset, which varies between 3–5 years. Useful lives are reviewed every year.

Impairment of non-financial assets
Assets with an indefinite useful life are not depreciated but instead tested annually for any impairment. Assets that are depreciated are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized at the amount by which the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and its value in use. When determining impairment requirements, assets are grouped to the lowest level where separate identifiable cash flows (cash-generating units) exist.

Cash Flow Statement
Qliro's Cash Flow Statement is prepared in accordance with the indirect method.

Recognized cash flow only includes transactions involving inflows and outflows of cash. Cash and cash equivalents are attributable to the item Lending to credit institutions.

Critical accounting estimates and judgments
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances. Qliro makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom correspond to actual outcomes. Estimates and assumptions that involve a significant risk for material adjustments of the carrying amounts of assets and liabilities during the next financial year are summarized below.

Reclassification of debt collection commission
Qliro considers that it is more relevant for amounts recovered through third parties relating to overdue receivables previously presented as commission income to be included in the calculation and presentation of credit loss. This change is being made proactively henceforth, and has been applied retroactively in this Annual Report. The change does not impact Total operating profit or Profit for the year, nor does it affect primary financial reporting other than the Income Statement. The following amounts have retroactively reduced commission income and credit loss:

2022 Jan–Mar	2022 Apr-Jun	2022 Jul-Sep	2022 Oct–Dec	2023 Jan–Mar	2023 Apr-Jun	2023 Jul-Sep	2023 Oct–Dec	2023 Jan-Dec	2022 Jan-Dec
5.2	4	4.4	4.4	6.7	5.2	3.5	2.6	18	18

Note 3 Financial risk management

Risks and risk management
Qliro's business activities are exposed to a variety of risks, the most prominent being credit risk, operational risk and business risk. Qliro must also manage financial risks such as liquidity risk, currency risk and interest rate risk. The Board and CEO are ultimately responsible for risk management with the aim of ensuring that the risks do not exceed the risk appetite/risk tolerance set by the Board. Risk management is based on the established model of three lines of defense. The first line of defense comprises the business activities that own and manage the risk in the daily operations. The second line of defense consists of the independent control functions responsible for monitoring and evaluating risk management. The internal audit function is responsible for the third line of defense: to independently review the quality and compliance of risk management, as tasked by the Board.

Credit risk
Credit risk is Qliro's dominant risk and is defined as the risk that counterparties are unable to fulfill their obligations. Credit risk entails that Qliro does not receive payment for issued invoices and/or will incur a loss due to the counterparty's inability to fulfill its commitments. Qliro manages credit risk by applying a sound lending process, well-defined regulations and limits for lending/exposure, and a highly developed credit organization. The risk is monitored, controlled and reported regularly to the CEO and board. Good credit risk management can optimize the profitability of lending activities. Qliro does not secure its lending against collateral.

Purchases financed by Qliro are derived from Sweden, Denmark, Finland and Norway. The credit risk of the loans is divided between countries and sectors. Refer to the following tables for sector and geographical concentration.

Geographical distribution of exposure

Group

	12/31/2023				
SEK million	Sweden	Denmark	Finland	Norway	Total
Public sector	625.1	–	–	–	625.1
Financial institutions	101.3	–	–	–	101.3
Non-financial corporations	35.7	0.3	1.0	1.1	38.2
Retail	2,263.0	40.6	121.3	180.4	2,605.3
Defaulted exposures	151.8	5.3	9.5	17.1	183.6
Total	**3,176.9**	**46.2**	**131.8**	**198.6**	**3,553.6**

	12/31/2022				
SEK million	Sweden	Denmark	Finland	Norway	Total
Public sector	299.2	–	–	–	299.2
Financial institutions	903.0	–	–	–	903.0
Non-financial corporations	25.3	0.1	0.8	0.7	27.0
Retail	2,323.4	40.7	118.2	209.2	2,691.5
Defaulted exposures	144.3	9.9	8.9	14.9	178.1
Total	**3,695.3**	**50.8**	**127.8**	**224.9**	**4,098.8**

Credit quality of exposure by geographical area

Group

	Recognized gross amount for			
SEK million	Defaulted exposures	Exposures not in default	Loss provision	Net amount
12/31/2023				
Sweden	151.8	3,025.1	-107.2	3,069.7
Denmark	5.3	40.9	-6.4	39.8
Finland	9.5	122.3	-9.5	122.3
Norway	17.1	181.6	-11.3	187.4
Total	**183.6**	**3,369.9**	**-134.3**	**3,419.2**

	Recognized gross amount for			
SEK million	Defaulted expo-sures	Exposures not in default	Loss provision	Net amount
12/31/2022				
Sweden	144.3	3,552.4	-109.2	3,587.6
Denmark	9.9	40.7	-9.6	41.1
Finland	8.9	118.2	-10.6	116.5
Norway	14.9	209.3	-14.5	209.7
Total	**178.1**	**3,920.7**	**-143.8**	**3,955.0**

Note 3 Financial risk management cont.

Loans receivable by category of borrower

	12/31/2023	12/31/2022
Loans receivable, net	**2,612.5**	**2,686.6**
Of which, retail sector	2,611.2	2,683.9
Of which, public sector	0.1	0.2
Of which, corporate sector	1.2	2.6
Total	**2,612.5**	**2,686.6**

Maturity analysis, receivables	12/31/2023	12/31/2022
Loans receivable, gross	**2,746.8**	**2,830.4**
Not past due	1,922.5	2,077.8
1–30 days	472.6	424.0
31–90 days	179.6	161.0
> 90 days	172.0	167.6
Total	**2,746.8**	**2,830.4**

Less credit loss - provisions	12/31/2023	12/31/2022
Not past due	-22.4	-23.6
1–30 days	-9.6	-12.3
31–90 days	-23.0	-21.6
> 90 days	-79.3	-86.3
Total	**-134.3**	**-143.8**

Carrying amount	12/31/2023	12/31/2022
Not past due	1,900.1	2,054.2
1–30 days	463.0	411.8
31–90 days	156.6	139.4
> 90 days	92.8	81.3
Total	**2,612.5**	**2,686.6**

The merchants offering Qliro's payment services also constitute a credit risk for Qliro. If a merchant closes or becomes insolvent, there is the risk that Qliro must compensate any returns from customers without being compensated by the merchant or a potential bankruptcy estate. Qliro believes that this risk can be considered limited based on the low probability that a credit loss event will occur in combination with a significant exposure to the merchant. Some of the agreements between Qliro and merchants stipulate that commission shall be paid in advance, fully or partially. Qliro is also exposed to credit risk in liquidity management through investments in financial instruments such as fixed-income securities and treasury bills eligible for refinancing. The risk is managed by restricting investments to counterparties with a minimum credit rating of AA.
Refer to Note 17 for more information.

Note 3 Financial risk management cont.

Credit risk exposure, gross and net

Group

12/31/2023 (SEK million)	Credit risk exposure (before impairment)	Loss provision	Carrying amount	Amount of collateral	Credit risk exposure including collateral
Lending to credit institutions	101.0	–	101.0	–	101.0
Lending to the public	2,746.8	-134.3	2,612.5	–	2,612.5
Other	89.7	–	89.7	–	89.7
of which credit institutions	–	–	–	–	–
Total	**2,937.5**	**-134.3**	**2,803.2**	**–**	**2,803.2**
Of which credit-impaired on the reporting date	183.6	-80.8	102.9	–	183.6
Bonds and other fixed-income securities[1]					
Government securities and other public bodies					
–AAA	49.7	–	49.7	–	49.7
–AA	566.4	–	566.4	–	566.4
Total	**616.1**	**–**	**616.1**	**–**	**616.1**
Of which credit-impaired on the reporting date					
Total credit risk exposure	**3,553.6**	**-134.3**	**3,419.2**	**–**	**3,419.2**
Of which credit-impaired on the reporting date	183.6	-80.8	102.9	–	183.6

1) According to Standard & Poor

Credit risk exposure, gross and net

Group

12/31/2022 (SEK million)	Credit risk exposure (before impairment)	Loss provision	Carrying amount	Amount of collateral	Credit risk exposure including collateral
Lending to credit institutions	902.3	–	902.3	–	902.3
Lending to the public	2,830.4	-143.8	2,686.6	–	2,686.6
Other	72.4	–	72.4	–	72.4
of which credit institutions	–	–	–	–	–
Total	**3,805.1**	**-143.8**	**3,661.4**	**–**	**3,661.4**
Of which credit-impaired on the reporting date	178.1	-86.6	91.5	–	178.1
Bonds and other fixed-income securities[1]					
Government securities and other public bodies					
–AAA	97.9	–	97.9	–	97.9
–AA	195.7	–	195.7	–	195.7
Total	**293.6**	**–**	**293.6**	**–**	**293.6**
Of which credit-impaired on the reporting date					
Total credit risk exposure	**4,098.8**	**-143.8**	**3,955.0**	**–**	**3,955.0**
Of which credit-impaired on the reporting date	178.1	-86.6	91.5	–	178.1

1) According to Standard & Poor

Note 3 Financial risk management cont.

Credit risk exposure specified by credit rating of financial assets, guarantees and loan commitments

Group

12/31/2023 (SEK million)	Stage 1	Stage 2	Stage 3 (not purchased or issued credit impaired)	Stage 3 (purchased or issued credit impaired)	Total
Lending to credit institutions					
Normal risk	101.0	–	–	–	101.0
Total carrying amount	**101.0**	**–**	**–**	**–**	**101.0**
Lending to the public					
Not past due	1,858.7	62.7	1.2	–	1,922.5
1–30 days	438.2	34.5	–	–	472.6
31–90 days	–	179.3	0.3	–	179.6
> 90 days	–	–	172.0	–	172.0
Loss provision	-21.0	-32.6	-80.8	–	-134.3
Total carrying amount	**2,275.9**	**243.8**	**92.8**	**–**	**2,612.5**
Bonds and other fixed-income securities					
AAA–AA	616.1	–	–	–	616.1
Total carrying amount	**616.1**	**–**	**–**	**–**	**616.1**
Other assets	69.0	10.6	10.1	–	89.7
Total carrying amount	**69.0**	**10.6**	**10.1**	**–**	**89.7**
Total gross carrying amount of financial assets measured at amortized cost or fair value through Other comprehensive income	**3,062.0**	**254.4**	**102.9**	**–**	**3,553.6**
Total loss provision	**-21.0**	**-32.6**	**-80.8**	**–**	**-134.3**
Total carrying amount	**3,041.0**	**221.8**	**22.1**	**–**	**3,419.2**

Credit risk exposure specified by credit rating of financial assets, guarantees and loan commitments

Group

12/31/2022 (SEK million)	Stage 1	Stage 2	Stage 3 (not purchased or issued credit impaired)	Stage 3 (purchased or issued credit impaired)	Total
Lending to credit institutions					
Normal risk	902.3	–	–	–	902.3
Total carrying amount	**902.3**	**–**	**–**	**–**	**902.3**
Lending to the public					
Not past due	1,908.8	168.8	0.2	–	2,077.8
1–30 days	283.6	140.4	–	–	424.0
31–90 days	–	161.0	–	–	161.0
> 90 days	–	–	167.6	–	167.6
Loss provision	-17.7	-39.5	-86.6	–	-143.8
Total carrying amount	**2,174.7**	**430.6**	**81.3**	**–**	**2,686.6**
Bonds and other fixed-income securities					
AAA–AA	293.6	–	–	–	293.6
Total carrying amount	**293.6**	**–**	**–**	**–**	**293.6**
Other assets	48.8	13.4	10.2	–	72.4
Total carrying amount	**48.8**	**13.4**	**10.2**	**–**	**72.4**
Total gross carrying amount of financial assets measured at amortized cost or fair value through Other comprehensive income	**3,437.2**	**483.5**	**178.1**	**–**	**4,098.8**
Total loss provision	**-17.7**	**-39.5**	**-86.6**	**–**	**-143.8**
Total carrying amount	**3,419.4**	**444.0**	**91.5**	**–**	**3,955.0**

Note 3 Financial risk management cont.

Credit quality of exposures by exposure class and instrument

Group

	Recognized gross amount for			
SEK million	Defaulted exposures	Exposures not in default	Loss provision	Net amount
12/31/2023				
Public sector	–	625.1	–	625.1
Financial institutions	–	101.3	–	101.3
Non-financial corporations	–	38.2	–	38.2
Retail	–	2,605.3	-53.5	2,551.8
Defaulted exposures	183.6	0.0	-80.8	102.9
Total	**183.6**	**3,369.9**	**-134.3**	**3,419.2**

	Recognized gross amount for			
SEK million	Defaulted exposures	Exposures not in default	Loss provision	Net amount
12/31/2022				
Public sector	–	299.2	–	299.2
Financial institutions	–	903.0	–	903.0
Non-financial corporations	–	27.0	-0.1	26.8
Retail	–	2,691.5	-57.1	2,634.5
Defaulted exposures	178.1	0.0	-86.6	91.5
Total	**178.1**	**3,920.7**	**-143.8**	**3,955.0**

Operational risk
Operational risk is the risk of losses resulting from an ineffective organization, human error, failed internal processes, defective systems or external events. The definition includes legal risks. To ensure effective management of the company's operational risks, Qliro has prepared internal regulations and processes and introduced a control environment to minimize these risks based on established standards. As part of this, Qliro documents the operations' significant processes and analyses its risks and control structure. To minimize the effects of disruptions and stoppages in its processes, Qliro follows a structured business continuity process. Qliro carries out regular self-assessments to identify, measure and manage the operational risks arising in the company. Qliro also works continuously on informing and training its employees in matters related to operational risk management and the company's objective is to disseminate and maintain a sound risk culture. The risk is monitored, controlled and reported regularly to the CEO and Board.

Business risk/strategic risk
Business risk/strategic risk is the current and future risk of losses due to changed market conditions (changes in volume, interest margins and other price changes relating to lending) and incorrect and failed business decisions, and consumers choosing payment solutions from other providers than Qliro. Qliro's reputation could be damaged if e-merchants' customers do not perceive the services Qliro provides to be secure, financially beneficial and easy to use. To manage the risk, Qliro ensures that the company is aware of its strategic position in order to be well prepared for changes in market conditions, and by applying advanced decision-making processes.

Interest rate risk
Interest rate risk refers to the risk that the fair value or future cash flows may fluctuate due to changes in market interest rates. Qliro is primarily exposed to interest rate risk when the interest rate horizon of assets and liabilities does not match. Qliro minimizes interest rate risk by matching the interest rate horizon for assets and liabilities. The risk is monitored, controlled and reported regularly to the CEO and Board.

Lending to the public, lending to credit institutions, and the investment portfolio have an average interest term of less than five months. 38 percent of deposits from the public were with variable interest, and 62 percent with fixed interest, with an average maturity of 113 days (originally 3, 6 or 12-month fixed interest). Customers with deposits at fixed rates have the option of withdrawing deposits before maturity, although a penalty fee means that withdrawals before maturity are limited to a very low level.

Qliro follows EBA/GL/2018/02 Guidelines on the management of interest rate risk arising from non-trading book activities, and performs the sensitivity analysis described in the Guidelines applying six standard scenarios. Two of these scenarios can be found under Risk appetite in the Finance Policy. The scenario means a parallel shift upwards of 200 basis points in the yield curve. The risk appetite is set as a proportion of own funds and may amount to a maximum of 4 percentage. For relevant interest rates, the interest rate risk amounted to 0.3 percent of Qliro's own funds as of December 31, 2023, corresponding to SEK 1.5 million.

In addition to the six scenarios that affect equity, Qliro also performs a sensitivity analysis of net interest risk. It is measured as an impact on net interest over the coming 12-month period given an interest rate increase of 200 basis points, and represents SEK 6.0 million as of December 31, 2023, given the interest-bearing assets and liabilities on the reporting date.

Currency risk
Qliro's reporting currency is the Swedish krona (SEK). Since a proportion of Qliro's sales are outside Sweden, the company incurs exchange rate risk for transactions denominated in different currencies (transaction exposure). The most important currencies to which Qliro is exposed are EUR, NOK and DKK.

Qliro's risk appetite for currency risk is regulated in the Finance Policy and is calculated as the total net exposure in foreign currency translated to SEK, which may amount to a maximum equivalent of 10 percent of Qliro's own funds. Currency risk is primarily hedged by matching Balance Sheet assets and liabilities denominated in foreign currency. Qliro also has the option of hedging currency risk using futures and currency swaps. The risk is monitored, controlled and reported regularly to the CEO and Board.

Note 3 Financial risk management cont.

Financial assets and liabilities specified by significant currencies

Group

	12/31/2023				
SEK million	SEK	EUR	NOK	DKK	Total
Assets					
Lending to credit institutions	64.4	21.4	13.3	1.92	101.0
Lending to the public	2,272.1	119.5	182.5	38.4	2,612.5
Bonds and other fixed-income securities	511.3	104.7	–	–	616.1
Derivatives	–	–	–	–	–
Other assets	55.9	4.1	4.7	1.3	66.0
Total assets	**2,903.8**	**249.7**	**200.5**	**41.6**	**3,395.5**
Liabilities					
Liabilities to credit institutions	–	–	–	–	–
Deposits and borrowing from the public	2,480.8	470.0	–	–	2,951
Derivatives	–	–	0.4	–	0.4
Subordinated liabilities	100.0	–	–	–	100.0
Other liabilities	138.3	7.1	9.1	0.5	155.0
Total liabilities	**2,719.1**	**477.2**	**9.5**	**0.5**	**3,206.3**
Currency swap	–	-226.8	185.7	41.1	–
Effect of 10% change against foreign currency	–	-22.7	19.1	4.1	–

	12/31/2022				
SEK million	SEK	EUR	NOK	DKK	Total
Assets					
Lending to credit institutions	418.8	433.8	42.0	6.0	900.6
Lending to the public	2,325.0	115.2	206.6	39.8	2,686.6
Bonds and other fixed-income securities	293.6	–	–	–	293.6
Derivatives	–	–	1.7	–	1.7
Other assets	43.3	2.4	4.7	1.7	52.1
Total assets	**3,080.7**	**551.4**	**254.9**	**47.6**	**3,934.6**
Liabilities					
Liabilities to credit institutions	–	–	–	–	–
Deposits and borrowing from the public	2,604.0	716.5	–	–	3,320
Derivatives	–	–	–	–	–
Subordinated liabilities	100.0	–	–	–	100.0
Other liabilities	162.7	126.5	8.8	1.3	299.3
Total liabilities	**2,866.7**	**843.0**	**8.8**	**1.3**	**3,719.8**
Currency swap	–	-289.9	–	–	–
Effect of 10% change against foreign currency	–	-29.2	24.6	4.6	–

Liquidity risk

Liquidity risk is defined as the risk that Qliro is unable to meet its payment obligations without a significant increase in the cost of accessing means of payment. Qliro's strategy is based on a well-balanced composition of assets and liabilities and allocation of maturities and currencies in order to keep liquidity risk at a low level. Qliro ensures that sufficient cash and cash equivalents are always available from a regulatory and business perspective, and that the company has the option of expanding available financing when necessary. Both Qliro's Recovery plan and ERM-policy state a number of indicators that monitor liquidity risk and measures for strengthening liquidity in the event of liquidity stress. Liquidity risk is monitored, controlled and reported every day to the CEO and regularly to the Board.

Qliro has liquid assets to ensure access to cash and cash equivalents in the event of stressed market conditions (LCR). As of December 31, 2023, liquid investments amounted to SEK 616.1 million in the form of Swedish municipal bonds and municipal commercial paper, which represent the highest level (L1A) of assets classified as high-quality liquid assets (HQLA). The average rating of the liquid investments averaged AA+ with an average maturity of 147 days. In addition to the investments above, as of December 31, 2023, Qliro AB had SEK 101 million placed with Nordic banks.

As of December 31, 2023, Qliro AB had a liquidity coverage ratio of 508 percent. Qliro AB's liquidity coverage ratio measures the liquidity reserve of SEK 576.1 million with a maturity period in excess of 30 days, related to net outflows of SEK 113.3 million. The regulatory requirement for the liquidity coverage ratio is 100 percent. In addition to the liquidity coverage ratio, Qliro also has internal metrics that regulate liquidity risk. The survival horizon, which measures the number of days Qliro is able to manage contractual outflows in a stressed scenario, should amount to at least 90 days while the cash ratio, which measures liquid investments in relation to total loan stock, shall amount to at least 10 percent.

Sources of funding

Qliro AB's net lending to the public amounted to SEK 2,612.5 million (2,686.6) at the end of the year. SEK 2,951 (3,320) million of the lending was financed by deposits from public (savings accounts) in Sweden and Germany, of which 99.4 percent are protected by the deposit insurance scheme in Sweden. 38 percent of this total was held at variable rate and 62 percent at fixed interest rate, with an average duration of 113 days (initially 3-month fixed rate, 6-months fix rate and 1-year fixed rate) as of December 31, 2023. 27 percent of deposits from the public are invested in liquid interest-bearing securities and deposits with Nordic banks.

Note 3 Financial risk management cont.

Maturity analysis of financial assets and liabilities (contractual due dates non-discounted cash flows)

Group

12/31/2023	Payable on demand	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
Financial assets					
Bonds and other fixed-income securities	–	390.4	175.7	49.9	616.1
Lending to credit institutions	101.0	–	–	–	101.0
Lending to the public	–	378.1	355.7	1,878.7	2,612.5
Derivatives	–	–	–	–	–
Other assets	–	66.0	–	–	66.0
Total	**101.0**	**834.4**	**531.4**	**1,928.6**	**3,395.5**
Financial liabilities					
Liabilities to credit institutions	–	–	–	–	–
Deposits and borrowing from the public	1,093.0	959.3	898.6	–	2,950.9
Derivatives	–	0.4	–	–	0.4
Leasing liabilities	–	1.4	4.2	4.2	9.7
Subordinated liabilities	–	–	–	100.0	100.0
Total	**1,093.0**	**961.1**	**902.7**	**104.2**	**3,061.0**
Undrawn credit facility	–	–	–	–	–

12/31/2022	Payable on demand	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
Financial assets					
Bonds and other fixed-income securities	–	–	97.9	195.7	293.6
Lending to credit institutions	900.6	–	–	–	900.6
Lending to the public	–	365.0	371.0	1,950.7	2,686.6
Derivatives	–	1.7	–	–	1.7
Other assets	–	52.1	–	–	52.1
Total	**900.6**	**418.7**	**468.9**	**2,146.4**	**3,934.6**
Financial liabilities					
Liabilities to credit institutions	–	–	–	–	–
Deposits and borrowing from the public	1,916.2	570.3	833.9	–	3,320.5
Leasing liabilities	–	2.0	2.7	4.7	9.5
Subordinated liabilities	–	–	–	100.0	100.0
Total	**1,916.2**	**572.4**	**836.7**	**104.7**	**3,430.0**
Undrawn credit facility	–	100.0	–	–	100.0

Capital, capital adequacy and recovery plan

Qliro shall always be well-capitalized. The Board has established capital targets aimed at meeting regulatory minimum requirements, buffer requirements and managing risk exposure in financial stress situations. Qliro performs stress tests using an ongoing capital adequacy assessment process to ensure that the company has sufficient capital for unexpected losses. The total capital ratio at year-end amounted to 19.6 percent compared with the supervisory authority's capital requirement of 12.5 percent. For more information on capital adequacy, refer to Note 32.

As part of the capital adequacy assessment process,Qliro has also prepared a recovery plan in accordance with the EU Bank Recovery and Resolution Directive ("BRRD") and the SFSA's regulations regarding recovery plans, group recovery plans and intra–group financial support agreements (FFFS 2016:6). The recovery plan describes and defines Qliro's strategy for preventing any deterioration of its financial situation.

Note 4 Operating segments

Total operating income
Group

SEK million	2023 Payment Solutions	2023 Digital Banking Services	2023 Total	2022 Payment Solutions	2022 Digital Banking Services	2022 Total
Interest income	267.0	105.8	372.8	198.9	90.0	288.9
Interest expenses	-68.5	-32.2	-100.8	-32.3	-18.1	-50.4
Net commission income[1]	176.3	0.5	176.7	175.3	0.5	175.7
Net profit/loss from financial transactions	-1.3	-0.1	-1.4	-4.0	–	-4.0
Other operating income	1.2	0.0	1.2	0.6	–	0.6
Total operating income	**374.6**	**73.9**	**448.5**	**338.5**	**72.4**	**410.9**
Net credit losses	-92.6	-29.0	-121.7	-89.1	-27.0	-116.1
Total operating income less credit losses	**282.0**	**44.8**	**326.8**	**249.4**	**45.4**	**294.8**

Parent Company

SEK million	2023 Payment Solutions	2023 Digital Banking Services	2023 Total	2022 Payment Solutions	2022 Digital Banking Services	2022 Total
Interest income	267.0	105.8	372.7	198.9	90.0	288.9
Interest expenses	-68.2	-32.1	-100.4	-32.2	-18.1	-50.3
Net commission income [1]	176.3	0.5	176.7	175.3	0.5	175.7
Net profit/loss from financial transactions	-1.3	-0.1	-1.4	-4.0	–	-4.0
Other operating income	1.1	0.0	1.1	0.6	–	0.6
Total operating income	**374.8**	**74.0**	**448.8**	**338.6**	**72.4**	**411.0**
Net credit losses	-92.6	-29.0	-121.7	-89.1	-27.0	-116.1
Total operating income less credit losses	**282.0**	**44.8**	**326.8**	**249.5**	**45.4**	**294.9**

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount is SEK 18.0 million.

The CEO of Qliro AB is the company's chief operating decision maker. Management has determined the segments based on the information addressed by the CEO and used for the purposes of allocating resources and evaluating results. The CEO evaluates the results for Payment Solutions and Digital Banking Services. The CEO evaluates segment progress based on total operating income less net credit losses. Segment reporting is based on the same principles as external accounting.

The operations are divided into two business segments: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing, while the latter comprises personal loans.

Note 4 Operating segments cont.

Group

	2023				2022			
SEK million	**Sweden**	**Finland**	**Rest of Nordics**	**Total**	**Sweden**	**Finland**	**Rest of Nordics**	**Total**
Net interest income	228.4	15.7	27.9	272.0	201.0	11.8	25.7	238.5
Net commission income[1)]	135.8	9.9	31.1	176.7	142.1	7.2	26.5	175.7
Net profit/loss from financial transactions	-0.9	–	-0.6	-1.4	-2.0	0.1	-2.1	-4.0
Other operating income	1.2	–	–	1.2	0.4	0.1	–	0.6
Total operating income	**364.5**	**25.6**	**58.3**	**448.5**	**341.5**	**19.3**	**50.1**	**410.9**

Parent Company

	2023				2022			
SEK million	**Sweden**	**Finland**	**Rest of Nordics**	**Total**	**Sweden**	**Finland**	**Rest of Nordics**	**Total**
Net interest income	228.8	15.7	27.9	272.4	201.1	11.8	25.7	238.6
Net commission income[1)]	135.8	9.9	31.1	176.7	142.1	7.2	26.5	175.7
Net profit/loss from financial transactions	-0.9	–	-0.6	-1.4	-2.0	0.1	-2.1	-4.0
Other operating income	1.1	–	0.0	1.1	0.4	0.1	–	0.6
Total operating income	**364.8**	**25.6**	**58.3**	**448.8**	**341.6**	**19.3**	**50.1**	**411.0**

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount is SEK 18.0 million.

The geographical distribution is mainly based on where operations are conducted. Rest of Nordics comprises Denmark and Norway.

Note 5 Net interest income

Group

SEK million	2023	2022
Interest income		
Lending to credit institutions[1]	9.9	3.3
Lending to the public [1]	351.2	282.0
Interest-bearing securities[2]	11.6	3.6
Other interest income[1]	0.1	–
Total	**372.8**	**288.9**
Interest expenses		
Liabilities to credit institutions[3]	-0.2	-5.7
Deposit guarantee[3]	-7.3	-5.0
Deposits from the public 3)	-82.6	-31.4
Interest-bearing government securities [4]	–	-0.7
Subordinated debt[3]	-10.3	-7.5
Lease liabilities[3]	-0.4	-0.1
Other interest expenses[3]	–	–
Total	**-100.8**	**-50.4**
Net interest income	**272.0**	**238.5**
1) Interest income from financial items measured at amortized cost.	361.1	285.3
2) Interest income from financial items measured at fair value.	11.6	3.6
3) Interest expense from financial items measured at amortized cost.	-100.8	-49.7
4) Interest expense from financial items measured at fair value.	–	-0.7

Parent Company

SEK million	2023	2022
Interest income		
Lending to credit institutions[1]	9.9	3.3
Lending to the public [1]	351.2	282.0
Interest-bearing securities[2]	11.6	3.6
Other interest income[1]	0.1	–
Total	**372.7**	**288.9**
Interest expenses		
Liabilities to credit institutions[3]	-0.2	-5.7
Deposit guarantee[3]	-7.3	-5.0
Deposits from the public[3]	-82.6	-31.4
Interest-bearing government securities[4]	–	-0.7
Subordinated debt[3]	-10.3	-7.5
Other interest expenses[3]	–	–
Total	**-100.4**	**-50.3**
Net interest income	**272.4**	**238.6**
1) Interest income from financial items measured at amortized cost.	361.1	285.3
2) Interest income from financial items measured at fair value.	11.6	3.6
3) Interest expense from financial items measured at amortized cost.	-100.8	-49.6
4) Interest expense from financial items measured at fair value.	–	-0.7

Note 6 Commission income

Group/Parent Company

SEK million	2023	2022
Lending commission	156.8	161.6
Other commission income[1]	27.4	23.5
Total	**184.1**	**185.0**

Commission income by geographical market and segment

SEK million	2023	2022
Payment Solutions		
Lending commissions		
Sweden	120.5	127.6
Finland	9.2	7.4
Denmark	4.4	3.9
Norway	22.3	22.2
Total	**156.3**	**161.1**
Other commission income[1]		
Sweden[1]	20.3	22.0
Finland	1.2	0.4
Denmark	0.8	–
Norway	5.0	0.9
Total	**27.3**	**23.3**
Total commission income, Payment Solutions	**183.7**	**184.6**
Digital Banking Services		
Lending commissions		
Sweden	0.5	0.5
Total commission income, Digital Banking Services	**0.5**	**0.5**
Total commission income	**184.1**	**185.0**

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount was SEK 18.0 million.

Note 7 Commission expenses

Group/Parent Company

SEK million	2023	2022
Other commission expenses	-7.4	-9.3
Total	**-7.4**	**-9.3**

Note 8 Net profit/loss from financial transactions

Group/Parent Company

SEK million	2023	2022
Net profit/loss on fixed-income securities	0.2	–
Realized/unrealized exchange rate fluctuations	-1.7	-4.0
Total	**-1.4**	**-4.0**
Net profit/loss per measurement category		
Financial assets measured at fair value through Other comprehensive income	0.2	–
Financial assets/liabilities measured at amortized cost	-1.7	-4.0
Total	**-1.4**	**-4.0**

Note 9 General administrative expenses

Group

SEK million	2023	2022
Personnel costs, employees		
Salaries, bonuses and other remuneration	-122.4	-114.0
Capitalized payroll expenses	47.5	35.7
Pension costs	-13.7	-13.4
Social security expenses	-41.0	-38.6
Other staff costs	-4.2	-10.0
Total	**-133.8**	**-140.3**
Staff costs, Board of Directors and CEO		
Salaries, bonuses and other remuneration	-5.4	-3.2
Pension costs[1]	-0.4	-0.5
Social security expenses	-1.7	-1.1
Other staff costs	-0.1	-0.2
Total	**-7.6**	**-5.0**
Total staff costs	**-141.5**	**-145.3**
Other administrative expenses		
Cost of premises	-3.3	-10.1
IT expenses	-39.9	-43.3
Postage costs	-6.4	-17.3
Consultant fees	-26.1	-57.9
Transaction costs	-6.0	-5.2
Legal fees	-1.9	-5.8
Other general administrative expenses	-1.2	5.0
Total	**-84.8**	**-134.6**
Total general administrative expenses	**-226.2**	**-279.9**

[1] All pension costs relate to cost of premiums

Parent Company

SEK million	2023	2022
Personnel costs, employees		
Salaries, bonuses and other remuneration	-122.4	-114.0
Capitalized payroll expenses	47.5	35.7
Pension costs	-13.7	-13.4
Social security expenses	-41.0	-38.6
Other staff costs	-4.2	-10.0
Total	**-133.8**	**-140.3**
Staff costs, Board of Directors and CEO		
Salaries, bonuses and other remuneration	-5.4	-3.2
Pension costs[1]	-0.4	-0.5
Social security expenses	-1.7	-1.1
Other personnel costs	-0.1	-0.2
Total	**-7.6**	**-5.0**
Total personnel costs	**-141.5**	**-145.3**
Other administrative expenses		
Cost of premises	-8.9	-18.3
IT expenses	-39.9	-43.3
Postage costs	-6.4	-17.3
Consultant fees	-26.1	-57.9
Transaction costs	-6.0	-5.2
Legal fees	-1.9	-5.8
Other general administrative expenses	-1.2	5.0
Total	**-90.4**	**-142.8**
Total general administrative expenses	**-231.8**	**-288.1**

Remuneration to employees
The guidelines for remuneration at Qliro follow the SFSA's regulations regarding remuneration systems in credit institutions (FFFS 2011:1). Through the remuneration policy, the Board establishes principles to be followed and addresses decision-making processes, as well as the structure, function and control of the remuneration system. Other senior executives are subject to notice periods in accordance with applicable agreements.

Variable remuneration
Qliro pays limited and relatively low variable remuneration. In combination with the criteria for triggering payment of variable remuneration, this has been deemed to discourage individuals from taking unsound risks in the operations. Disclosures on remuneration in accordance with SFSA regulations are presented on Qliro's website: www.qliro.com.

Pension commitments
The company only has defined-contribution plans, which means that the company's commitments are limited to the contributions the company has undertaken to pay insurers. Expenses for defined-contribution plans are recognized in the Income Statement as benefits are earned, which usually coincides with the dates at which pension premiums are paid.

Note 9 General administrative expenses cont.

Remuneration to senior executives

Amounts in SEK thousand	Basic salary/fees	Paid variable remuneration	Other benefits	Pension costs	Total
2023					
Patrik Enblad, Chairman of the Board	635	–	–	–	635
Lennart Francke, Board member	426	–	–	–	426
Mikael Kjellman, Board member	344	–	–	–	344
Helena Nelson, Board member	376	–	–	–	376
Monica Caneman, Board member (up until May 17, 2023)	158	–	–	–	158
Alexander Antas, Board member	334	–	–	–	334
Monica Caneman, Board member	425	–	–	–	425
Christoffer Rutgersson, CEO	3,174	–	2	398	3,574
Other senior executives[1] (8)	11,899	946	364	2,062	15,272
Total	**17,346**	**946**	**366**	**2,461**	**21,119**

1) Consulting fees of SEK 1.7 million were paid in 2023 to two interim senior executives. The cost is reported under other administration costs, hence this is not reported in the table above.

Amounts in SEK thousand	Basic salary/fees	Paid variable remuneration	Other benefits	Pension costs	Total
2022					
Patrik Enblad, Chairman of the Board (from May 17, 2022)	402	–	–	–	402
Lennart Jacobsen, Chairman of the Board (up until May 17, 2022)	237	–	–	–	237
Lennart Francke, Board member	425	–	–	–	425
Mikael Kjellman, Board member (from May 17, 2022)	187	–	–	–	187
Robert Burén, Board member (up until May 17, 2022)	114	–	–	–	114
Helena Nelson, Board member	375	–	–	–	375
Monica Caneman, Board member	425	–	–	–	425
Alexander Antas, Board member	300	–	–	–	300
Christoffer Rutgersson, CEO (from October 1, 2022)	758		1	541	1,300
Jonas Arlebäck[1], Interim CEO (up until September 30, 2022)	–	–	–	–	–
Carolina Brandtman[2], CEO (up until January 31, 2022)	–	–	–	–	–
Other senior executives[3] (10)	13,729	180	13	2,979	16,900
Total	**16,952**	**180**	**14**	**3,520**	**20,666**

1) Consulting fees of SEK 4.2 million were paid to Jonas Arlebäck in 2022. The cost is reported under other administration costs, hence this is not included in the above table.
2) Salary and severance pay paid to former CEO Carolina Brandtman in 2022 were taken up in 2021.
3) Consulting fees of SEK 5.8 million were paid to three interim senior executives in 2022. The cost is reported under other administration costs, hence this is not reported in the table above.

Note 10 Auditors' fees

Group/Parent Company

SEK million	2023	2022
KPMG		
Audit assignments[1]	-2.1	-2.1
Auditing activities in addition to audit assignments	-0.4	-0.3
Other advisory services	-0.3	-0.2
Total	**-2.9**	**-2.6**

1) Audit assignments refer to statutory audit of the annual accounts and accounting records and the administration of the Board and CEO, as well as other audits and reviews conducted in accordance with agreements or contracts. This includes other duties that are incumbent on the company's auditor as well as the provision of advice or other assistance resulting from observations in connection with such reviews or the performance of such other duties.

Note 11 Average number of FTEs

Group/Parent Company

	2023	2022
Average number of employees	187	181
Of whom women	77	80
Of whom men	110	101

Specification of senior executives on the reporting date	12/31/2023	12/31/2022
Women		
Board members	1	2
Other members of executive management incl. CEO	2	5
Men		
Board members	4	4
Other members of executive management incl. CEO	6	10
Total	**13**	**21**

Note 12 Depreciation/amortization and impairment of property, plant and equipment and intangible assets

Group

SEK million	2023	2022
Amortization of intangible assets	-64.9	-89.1
Depreciation of property, plant and equipment	-8.3	-16.4
Write-downs of intangible assets	–	–
Write-downs of property, plant and equipment	–	-0.2
Total	**-73.1**	**-105.6**

Parent Company

SEK million	2023	2022
Amortization of intangible assets	-64.9	-89.1
Depreciation of property, plant and equipment	-3.6	-8.1
Write-downs of intangible assets	–	–
Write-downs of property, plant and equipment	–	-0.2
Total	**-68.4**	**-97.4**

Note 13 Other operating expenses

Group/Parent Company

SEK million	2023	2022
Marketing	-4.0	-7.6
Credit check expenses	-9.9	-13.0
Other operating expenses	-5.4	-4.2
Total	**-19.3**	**-24.8**

Note 14 Total net credit losses

Group/Parent Company

SEK million	2023	2022
Expected credit losses on Balance Sheet items		
Net loss provision for the period, Stage 1	-3.4	-1.4
Net loss provision for the period, Stage 2	6.6	-4.4
Total credit losses, net of non credit-impaired lending	**3.2**	**-5.9**
Loss provision for the period, Stage 3	5.3	-23.8
Realized net credit losses for the period[1]	-130.2	-86.4
Total credit losses, net of non credit-impaired lending	**-124.9**	**-110.2**
Total net credit losses	**-121.7**	**-116.1**
Loss provisions on loans measured at amortized cost	**-134.3**	**-143.8**

Contractual amounts that are written off and are still subject to compliance measures amounted to SEK 24.9 (24.3) at year-end.

1) In Q3 2023, debt collection commission was reclassified from commission income to credit loss, which means that comparable figures have been adjusted. For the full year 2022, the amount was SEK 18.0 million.

Note 15 Taxes

Group

SEK million	2023	2022
Current income tax expense	–	–
Deferred tax expense	-4.0	22.0
Deferred tax on temporary differences	-0.1	–
Total recognized tax expense	**-4.1**	**22.0**

Tax of -4.0 million (22.0) was recognized in Sweden and includes foreign operations.

The income tax on Qliro's profit before tax differs from the theoretical amount that would have resulted using the weighted average tax rate applicable to profit/loss as follows:

SEK million	2023	2022
Profit/loss before tax	8.2	-115.5
Tax according to the applicable tax rate of 20.6% for the Parent Company	-1.7	–
Deferred tax income in capitalized taxable value of loss carry-forwards for the year	–	23.8
Tax effect of non-deductible expenses	-2.4	-1.8
Capitalization of loss carry-forwards	–	-22.0
Utilization of loss carry-forwards	4.1	–

Note 15 Taxes cont.

SEK million	2023	2022
Current income tax expense	–	–
Deferred tax expense	-4.0	22.0
Tax items recognized directly against equity		
Deferred tax attributable to previous years	59.2	37.2
Deferred tax receivable attributable to lease agreements	-0.3	–
Tax attributable to Other comprehensive income		
Deferred tax attributable to change in fair value of assets held for sale	1.0	1.0
Total deferred tax	**56.0**	**60.2**

Parent Company

SEK million	2023	2022
Current income tax expense	–	–
Deferred tax expense	-4.0	22.0
Total recognized tax expense	**-4.0**	**22.0**

Tax of -4.0 million (22.0) is recognized in Sweden and includes foreign operations.

The income tax on Qliro's profit before tax differs from the theoretical amount that would have resulted using the weighted average tax rate applicable to profit/loss as follows:

SEK million	2023	2022
Profit/loss before tax	7.5	-115.3
Tax according to applicable tax rate of 20.6%	-1.5	–
Deferred tax income in capitalized taxable value of loss carry-forwards for the year	–	23.8
Tax effect of non-deductible expenses	-2.4	-1.8
Capitalization of loss carry-forwards	–	-22.0
Utilization of loss carry-forwards	4.0	–

SEK million	2023	2022
Current income tax expense	–	–
Deferred tax expense	-4.0	22.0
Tax items recognized directly against equity		
Deferred tax attributable to previous years	59.2	37.2
Tax attributable to Other comprehensive income		
Deferred tax attributable to change in fair value of assets held for sale	1.0	1.0
Total deferred tax	**56.2**	**60.2**

Note 16 Lending to credit institutions

Group

SEK million	12/31/2023	12/31/2022
Lending to credit institutions	101.0	900.6
Of which, SEK	64.4	424.7
Of which, foreign currency	36.6	475.9
Total	**101.0**	**900.6**

Parent Company

SEK million	12/31/2023	12/31/2022
Lending to credit institutions	98.0	898.1
Of which, SEK	61.4	422.1
Of which, foreign currency	36.6	475.9
Total	**98.0**	**898.1**

Note 17 Lending to the public

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Loans receivable	2,746.8	2,830.4
Provisions for expected credit losses	-134.3	-143.8
Total	**2,612.5**	**2,686.6**

Note 17 Lending to the public cont.

Lending subject to impairment testing specified by stage (IFRS 9)

Financial assets

	Not credit-impaired		Credit-impaired	
SEK million	Stage 1	Stage 2	Stage 3	Total
Assets measured at amortized cost				
Opening balance, January 1, 2023	**2,192.5**	**470.1**	**167.8**	**2,830.4**
New lending for the period	1,047.3	99.5	50.9	1,197.7
Change in existing loans	-671.4	-166.1	-123.1	-960.6
Decrease in lending for the period	-281.6	-18.1	-21.0	-320.7
Transfers:				
Transfer from stage 1 to stage 2	-100.6	100.6	–	–
Transfer from stage 1 to stage 3	-62.1	–	62.1	–
Transfer from stage 2 to stage 1	171.6	-171.6	–	–
Transfer from stage 2 to stage 3	–	-39.0	39.0	–
Transfer from stage 3 to stage 1	1.3	–	-1.3	–
Transfer from stage 3 to stage 2	–	0.9	-0.9	–
Closing balance, December 31, 2023	**2,296.9**	**276.4**	**173.5**	**2,746.8**

	Not credit-impaired		Credit-impaired	
SEK million	Stage 1	Stage 2	Stage 3	Total
Assets measured at amortized cost				
Opening balance, January 1, 2022	**2,278.7**	**448.6**	**143.7**	**2,871.0**
New lending for the period	1,119.1	150.3	50.2	1,319.6
Change in existing loans	-265.3	-71.5	-16.5	-353.3
Decrease in lending for the period	-809.9	-104.9	-92.0	-1,006.9
Transfers:				
Transfer from stage 1 to stage 2	-165.1	165.1	–	–
Transfer from stage 1 to stage 3	-45.7	–	45.7	–
Transfer from stage 2 to stage 1	80.0	-80.0	–	–
Transfer from stage 2 to stage 3	–	-38.5	38.5	–
Transfer from stage 3 to stage 1	0.6	–	-0.6	–
Transfer from stage 3 to stage 2	–	1.1	-1.1	–
Closing balance, December 31, 2022	**2,192.5**	**470.1**	**167.8**	**2,830.4**

Note 17 Lending to the public cont.

Change in loss allowance – Lending (IFRS 9)

SEK million	Not credit-impaired Stage 1	Not credit-impaired Stage 2	Credit-impaired Stage 3	Total
Assets measured at amortized cost				
Opening balance, January 1, 2023	**17.7**	**39.5**	**86.6**	**143.8**
New loss provision in the period	7.3	10.4	14.7	32.5
Changes in loss provision for existing loans	31.6	-7.3	-54.0	-29.7
Decrease in loss provision for the period	-1.2	-1.3	-9.7	-12.2
Transfers:				
Transfer from stage 1 to stage 2	-12.2	12.2	–	–
Transfer from stage 1 to stage 3	-25.9	–	25.9	–
Transfer from stage 2 to stage 1	3.8	-3.8	–	–
Transfer from stage 2 to stage 3	–	-17.4	17.4	–
Transfer from stage 3 to stage 1	–	–	–	–
Transfer from stage 3 to stage 2	–	0.2	-0.2	–
Closing balance, December 31, 2023	**21.0**	**32.6**	**80.8**	**134.3**

Change in loss allowance – Lending (IFRS 9)

SEK million	Not credit-impaired Stage 1	Not credit-impaired Stage 2	Credit-impaired Stage 3	Total
Assets measured at amortized cost				
Opening balance, January 1, 2022	**16.0**	**34.6**	**61.5**	**112.1**
New loss allowance for the period	8.0	14.5	25.5	48.0
Changes in loss allowance in existing loans	27.1	5.4	6.9	39.4
Decrease in loss provision for the period	-4.3	-11.8	-39.6	-55.8
Transfers:				
Transfer from stage 1 to stage 2	-13.6	13.6	–	–
Transfer from stage 1 to stage 3	-16.7	–	16.7	–
Transfer from stage 2 to stage 1	1.4	-1.4	–	–
Transfer from stage 2 to stage 3	–	-15.6	15.6	–
Transfer from stage 3 to stage 1	0.1	–	-0.1	–
Transfer from stage 3 to stage 2	–	0.1	-0.1	–
Closing balance, December 31, 2022	**17.7**	**39.5**	**86.6**	**143.8**

Note 18 Bonds and other fixed-income securities

Measurement category, financial assets measured at fair value through Other comprehensive income.

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Issued by public bodies	616.1	293.6
Total	**616.1**	**293.6**
Of which, SEK	511.3	293.6
Of which, EUR	104.7	–

Bonds and other fixed-income securities comprise financial instruments in Qliro's portfolio of cash and cash equivalents not eligible for refinancing with the Central Bank of Sweden (the Riksbank).

The fair value of the investments as of 12/31/2023 amounted to SEK 616.1 million (293.6), refer to Note 3 for more information.

The carrying amount of the bonds and other fixed-income securities with a remaining maturity of a maximum of one year amounted to SEK 463.6 (293.6).

Note 19 Shares and participations in Group companies

Parent Company

SEK million	12/31/2023	12/31/2022
Cost, opening balance	0.1	0.1
Total	**0.1**	**0.1**

Refers to QFS Incitament AB, Corp. ID no. 559232-4452, registered office Stockholm The number of shares are 50,000 shares, holding 100%.

Note 20 Intangible assets

Internally generated capitalized development costs with determinable useful lives.

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Cost at beginning of the year	524.6	435.9
Internally developed assets	94.9	88.7
Cost at year-end	**619.5**	**524.6**
Accumulated amortization at the beginning of the year	-355.9	-266.8
Amortization for the year	-64.9	-89.1
Accumulated amortization at year-end	**-420.7**	**-355.9**
Carrying amount, closing balance	**198.7**	**168.7**

Intangible assets primarily consist of proprietary software related to Qliro's product segments Payment Solutions and Digital Banking Services

Note 21 Property, plant and equipment

Group

SEK million	12/31/2023	12/31/2022
Cost at beginning of the year	**68.6**	**88.8**
Purchases for the year	1.8	3.0
Acquired right-of-use assets, premises and buildings	16.0	–
Divested right-of-use assets, premises and buildings	-8.0	-22.8
Obsolescences in the year	0.0	-0.4
Cost at year-end	**78.4**	**68.6**
Accumulated depreciation at the beginning of the year	**-54.7**	**-61.3**
Depreciation for the year	-8.3	-16.4
Adjustment, divested right-of-use assets	1.3	22.8
Obsolescences in the year	–	0.2
Accumulated depreciation at year-end	**-61.6**	**-54.7**
Carrying amount, closing balance	**16.8**	**13.9**

Parent Company

SEK million	12/31/2023	12/31/2022
Cost at beginning of the year	**60.6**	**58.0**
Purchases for the year	1.8	3.0
Obsolescences in the year	–	-0.4
Cost at year-end	**62.4**	**60.6**
Accumulated depreciation at the beginning of the year	**-52.7**	**-44.7**
Depreciation for the year	-3.6	-8.1
Obsolescences in the year	–	0.2
Accumulated depreciation at year-end	**-56.2**	**-52.7**
Carrying amount, closing balance	**6.1**	**7.9**

Note 22 Other assets

Group

SEK million	12/31/2023	12/31/2022
Accounts receivable	49.2	45.8
Current tax assets	5.4	8.2
Other receivables	7.1	4.5
Total	**61.7**	**58.5**

Parent Company

SEK million	12/31/2023	12/31/2022
Accounts receivable	49.2	45.8
Current tax assets	5.4	8.2
Receivables from Group companies	2.9	2.5
Other receivables	7.1	4.5
Total	**64.6**	**61.0**

Note 23 Prepaid expenses and accrued income

Group

SEK million	12/31/2023	12/31/2022
Prepaid rental charges	0.7	1.9
Prepaid pension premiums	1.6	1.0
Prepaid licenses	10.5	10.4
Prepaid marketing expenses	5.9	0.3
Other prepaid expenses	4.0	5.5
Accrued income	9.6	1.8
Accrued interest	–	–
Total	**32.1**	**21.1**

Note 23 Prepaid expenses and accrued income cont.

Parent Company

SEK million	12/31/2023	12/31/2022
Prepaid rental charges	2.1	1.9
Prepaid pension premiums	1.6	1.0
Prepaid licenses	10.5	10.4
Prepaid marketing expenses	5.9	0.3
Other prepaid expenses	–	–
Accrued income	3.9	5.5
Accrued interest	9.6	1.8
Total	**33.5**	**21.1**

Note 24 Deposits and funding from the public

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Deposits from the public	2,950.9	3,320.5
By category		
Individuals	2,950.9	3,320.5
Companies	–	–
Total	**2,950.9**	**3,320.5**
By currency		
SEK	2,480.8	2,604.0
Foreign currency	470.0	716.5
Total	**2,950.9**	**3,320.5**

Note 25 Other liabilities

Group

SEK million	12/31/2023	12/31/2022
Accounts payable	15.0	16.4
Tax at source, employees	3.3	3.4
Factoring	21.6	34.2
Excess payments from customers	21.4	23.5
Leasing liabilities	9.4	6.8
Other liabilities[1]	35.2	144.3
Total	**106.0**	**228.6**

Parent Company

SEK million	12/31/2023	12/31/2022
Accounts payable	15.0	16.4
Tax at source, employees	3.3	3.4
Factoring	21.6	34.2
Excess payments from customers	21.4	23.5
Other liabilities[1]	35.2	144.3
Total	**96.5**	**221.8**

1) Other liabilities less client funds (funds held on behalf of third parties) of SEK 1.5 million (0)

Note 26 Derivatives

Derivative instruments
Derivatives for hedging fair value, not hedge account

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Currency-related contracts – assets (EUR)	–	1.7
Currency-related contracts – liabilities (EUR)	-0.4	–
Total	**-0.4**	**1.7**

Note 27 Accrued expenses and deferred income

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Accrued employee expenses	17.0	31.0
Accrued commission	26.6	23.7
Accrued bonus expenses	4.1	2.3
Accrued postage expenses	0.7	4.1
Accrued credit check expenses	1.4	4.4
Other deferred income/accrued expenses	6.9	19.1
Accrued interest expense	0.8	0.7
Total	**57.4**	**85.3**

Note 28 Subordinated liabilities

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Bonds	100.0	100.0
Total	**100.0**	**100.0**

In the third quarter 2019, Qliro issued SEK 100 million of subordinated Tier 2 capital notes.

The financial instrument was registered with Nasdaq Stockholm in October 2019.

The bond is subordinated to other liabilities and can be included in own funds as Tier 1 capital according to the existing regulatory framework.

The bond issue carries floating rate interest of 3-month STIBOR plus 6.75 percent per annum and matures in September 2029 with early redemption in September 2024.

Note 29 Equity

Specification of share capital
As of 31 December 2022, the registered share capital of 53.324.324 (50.324.324) comprised ordinary shares with a quotient value of SEK 2.80 per share.

Warrants
The Annual General Meeting on July 19, 2023 resolved to implement a directed new issue to the Board of a maximum of 700,000 warrants. Each warrant confers the right to subscribe for one share in Qliro. The decision means that the share capital may increase by a maximum of SEK 1,960,000 if all warrants are utilized and subsequently exercised to subscribe for shares. This means that the dilution effect amounts to a maximum of 3.5%. Subscription for shares on the basis of warrants held starts from August 1, 2026. The price of warrants is SEK 3.10 per unit. The subscription price for shares on the basis of warrants held is SEK 32.0 per share.

Fair value reserve
Qliro's fair value reserve includes the accumulated net change in fair value of debt instruments valued at fair value through other comprehensive income in the period until the asset is derecognized from the Statement of financial position or reclassified.

Reserve for development costs
The Parent Company applies regulations relating to provisions to Fund for development costs. Upon capitalization of internally developed intangible assets, an amount corresponding to capitalized development costs is reallocated from non-restricted equity to Fund for development costs under Restricted equity. Upon amortization of capitalized development costs, the corresponding amount is reversed back to non-restricted equity. The change in Fund for development costs for the year comprises internally developed capitalized development costs of SEK 83.6 million (83.6) and depreciation for the year of SEK 47.0 million (72.6).

Note 30 Financial instruments – classification and fair value

Classification of financial instruments

Group

SEK million	Fair value through profit or loss	Fair value through Other comprehensive income	Amortized cost	Total carrying amount
12/31/2023				
Assets				
Bonds and other fixed-income securities	–	616.1	–	616.1
Lending to credit institutions	–	–	101.0	101.0
Lending to the public	–	–	2,612.5	2,612.5
Other assets	–	–	56.3	56.3
Accrued income	–	–	9.6	9.6
Total financial instruments	**–**	**616.1**	**2,779.4**	**3,395.5**
Other non-financial instruments				299.4
Total assets				**3,694.9**
Liabilities				
Liabilities to credit institutions				
Deposits and borrowing from the public	–	–	2,950.9	2,950.9
Derivatives	0.4	–	–	0.4
Other liabilities	–	–	101.0	101.0
Accrued expenses	–	–	54.0	54.0
Subordinated liabilities	–	–	100.0	100.0
Total financial instruments	**0.4**	**–**	**3,205.9**	**3,206.3**
Other non-financial instruments				8.4
Equity				480.2
Total liabilities and equity				**3,694.9**

SEK million	Fair value through profit or loss	Fair value through Other comprehensive income	Amortized cost	Total carrying amount
12/31/2022				
Assets				
Bonds and other fixed-income securities	–	293.6	–	293.6
Lending to credit institutions	–	–	900.6	900.6
Lending to the public	–	–	2,686.6	2,686.6
Derivatives	1.7	–	–	1.7
Other assets	–	–	50.2	50.2
Accrued income	–	–	1.8	1.8
Total financial instruments	**1.7**	**293.6**	**3,639.3**	**3,934.6**
Other non-financial instruments				270.3
Total assets				**4,204.9**
Liabilities				
Liabilities to credit institutions				
Deposits and borrowing from the public	–	–	3,320.5	3,320.5
Derivatives	–	–	–	–
Other liabilities	–	–	221.5	221.5
Accrued expenses	–	–	77.8	77.8
Subordinated liabilities	–	–	100.0	100.0
Total financial instruments	**–**	**–**	**3,719.8**	**3,719.8**
Other non-financial instruments				14.6
Equity				470.5
Total liabilities and equity				**4,204.9**

The fair value of financial instruments traded in an active markets (financial assets at fair value through other comprehensive income) is based on quoted market prices on the closing day. The quoted market price used for Qliro's financial assets is the official bid rate. The levels on the fair value is based on the following fair value hierarchy:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (Level 1).
- Calculated amounts based on observable market listings for similar instruments which includes measurement at listed prices on a less active market (Level 2). This level includes interest-bearing securities.
- Data for assets or liabilities not based on observable market data (i.e. unobservable inputs) (Level 3).

Note 30 Financial instruments – classification and fair value cont.

Classification of financial instrument

SEK million	Level 1	Level 2	Level 3
12/31/2023			
Bonds and other fixed-income securities	616.1	–	–
Derivatives		–	–
Total assets	**616.1**	**–**	–
Derivatives	–	0.4	–
Total liabilities	–	**0.4**	–

SEK million	Level 1	Level 2	Level 3
12/31/2022			
Bonds and other fixed-income securities	293.6	–	–
Derivatives	–	1.7	–
Total assets	**293.6**	**1.7**	–
Derivatives	–	–	–
Total liabilities	–	**–**	–

Financial instruments recognized at amortized cost[1)]

Group

SEK million	Level 1	Level 2	Level 3
12/31/2023			
Lending to credit institutions	–	–	101.0
Lending to the public	–	–	2,612.5
Other assets	–	–	56.3
Accrued income	–	–	9.6
Total	**–**	**–**	**2,779.4**
Liabilities to credit institutions	–	–	–
Deposits and borrowing from the public	–	–	2,950.9
Other liabilities	–	–	101.0
Accrued expenses	–	–	54.0
Subordinated liabilities	–	100.0	–
Total	**–**	**100.00**	**3,105.9**

SEK million	Level 1	Level 2	Level 3
12/31/2022			
Lending to credit institutions	–	–	900.6
Lending to the public	–	–	2,686.6
Other assets	–	–	50.2
Accrued income	–	–	1.8
Total	**–**	**–**	**3,639.3**
Liabilities to credit institutions	–	–	–
Deposits and borrowing from the public	–	–	3,320.5
Other liabilities	–	–	221.5
Accrued expenses	–	–	77.8
Subordinated liabilities	–	100.0	–
Total	**–**	**100.00**	**3,619.8**

1) Fair value of financial instruments recognized at amortized cost does not materially diverge from book value.

Note 31 Capital adequacy analysis

In accordance with Regulation (EU) no. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("CRR"), and the Financial Supervisory Authority's regulations regarding prudential requirements and capital buffers (FFFS 2014:12), Qliro AB ("Qliro") hereby discloses information about capital adequacy and other information in accordance with the above regulations.

Qliro's internal procedures for reporting and disclosure of information are included in the Financial Handbook, owned by the Chief Financial Officer and approved annually by the CEO. The procedures include roles and responsibilities as well as Qliro's framework for internal control of financial reporting.

Performance measures

Template "EU KM1 – Key metrics template" is disclosed below as stipulated by the Commission's implementing regulation 2021/637.

		12/31/2023	12/31/2022	09/30/2023	06/30/2023	03/31/2023
	Available own funds (SEK m)					
1	Common Equity Tier 1 (CET1) capital	379.7	339.1	328.4	323.6	331.9
2	Tier 1 capital	379.7	339.1	328.4	323.6	331.9
3	Total capital	479.7	439.1	428.4	423.6	431.9
	Risk-weighted exposure (SEK m)					
4	Total risk-weighted exposure	2,445.9	2,562.8	2,289.9	2,323.8	2,302.1
	Capital ratios (as a percentage of risk-weighted exposure)					
5	Common Equity Tier 1 ratio (%)	15.5	13.2	14.3	13.9	14.4
6	Tier 1 ratio (%)	15.5	13.2	14.3	13.9	14.4
7	Total capital ratio (%)	19.6	17.1	18.7	18.2	18.8
	Additional own funds requirement in order to manage risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure)					
EU 7a	Additional own funds requirement in order to manage risks other than the risk of excessive leverage (%)	0	0	0	0	0
EU 7b	of which: to comprise CET1 capital (%)	0	0	0	0	0
EU 7c	of which: to comprise Tier 1 capital (%)	0	0	0	0	0
EU 7d	Total SREP own funds requirement (%)	8.0	8.0	8.0	8.0	8.0
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0	0	0	0	0
9	Institution-specific countercyclical capital buffer (%)	2.0	1.0	2.0	1.9	1.0
EU 9a	Systemic risk buffer (%)	0	0	0	0	0
10	Global Systemically Important Institution buffer (%)	0	0	0	0	0
EU 10a	Other Systemically Important Institution buffer (%)	0	0	0	0	0
11	Combined buffer requirement (%)	4.5	3.5	4.5	4.4	3.5
EU 11a	Overall capital requirements (%)	12.5	11.5	12.5	12.4	11.5
12	CET1 available after meeting total SREP own funds requirement (%)	7.5	5.2	6.3	5.9	6.4

Note 31 Capital adequacy analysis cont.

		12/31/2023	12/31/2022	09/30/2023	06/30/2023	03/31/2023
	Leverage ratio					
13	Total exposure (SEK m)	3,482.2	4,067.2	3,274.8	3,347.8	3,322.6
14	Leverage ratio (%)	10.9	8.3	10.0	9.7	10.0
	Additional own funds requirement to manage risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirement to manage risk of excessive leverage (%)	0	0	0	0	0
EU 14b	of which: to comprise CET1 capital (%)	0	0	0	0	0
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Total SREP leverage ratio requirements (%)	0	0	0	0	0
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value – average, SEK m)	576.1	293.6	365.8	211.2	308.4
16a	Cash outflows – total weighted value (SEK m)	327.7	492.0	333.1	370.6	264.0
16b	Cash inflows – total weighted value (SEK m)	214.4	934.5	302.1	514.2	408.4
16	Total net cash outflows (adjusted value) (SEK m)	113.3	123.0	83.3	92.7	66.0
17	Liquidity coverage ratio (%)	508.5	238.7	439.3	227.9	467.3
	Net stable funding ratio (NSFR)					
18	Total available stable funding (SEK m)	3,137.1	3,656.5	3,094.6	3,161.5	3,133.7
19	Total required stable funding (SEK m)	2,493.1	2,831.2	2,460.3	2,417.6	2,383.8
20	NSFR ratio (%)	125.8	129.1	125.8	130.8	131.5

Note 31 Capital adequacy analysis cont.

Statement of total capital requirements and own funds
Risk-weighted own funds requirements and own funds requirements in relation to gross leverage

	12/31/2023		12/31/2022		09/30/2023		06/30/2023		03/31/2023	
Risk-weighted own funds requirements	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Risk-weighted exposure										
Total risk-weighted exposure	2,445.9	–	2,562.8	–	2,289.9	–	2,323.8	–	2,302.1	–
Own funds requirement (Pillar 1 requirement)[1]										
Common Equity Tier 1 (CET1) capital	110.1	4.5	115.3	4.5	103.0	4.5	104.6	4.5	103.6	4.5
Tier 1 capital	146.8	6.0	153.8	6.0	137.4	6.0	139.4	6.0	138.1	6.0
Total capital	195.7	8.0	205.0	8.0	183.2	8.0	185.9	8.0	184.2	8.0
Additional own funds requirements (Pillar 2 requirement)[2]										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Total Pillar 2 requirement	0	0	0	0	0	0	0	0	0	0
Combined buffer requirement [3]										
Capital conservation buffer	61.1	2.5	64.1	2.5	57.2	2.5	58.1	2.5	57.6	2.5
Institution-specific countercyclical capital buffer	47.8	2.0	26.8	1.0	44.8	2.0	44.7	1.9	23.9	1.0
Combined buffer requirement	109.0	4.5	90.9	3.5	102.0	4.5	102.8	4.4	81.4	3.5
Notification (Pillar 2-guidance)[4]										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Total Pillar 2 guidance	0	0	0	0	0	0	0	0	0	0
Overall adequate level of own funds										
Common Equity Tier 1 (CET1) capital	219.0	9.0	206.2	8.0	205.1	9.0	207.3	8.9	185.0	8.0
Tier 1 capital	255.7	10.5	244.7	9.5	239.4	10.5	242.2	10.4	219.6	9.5
Total overall own funds requirements	304.6	12.5	295.9	11.5	285.2	12.5	288.7	12.4	265.6	11.5
Available own funds (capital base)										
Common Equity Tier 1 (CET1) capital	379.7	15.5	339.1	13.2	328.4	14.3	323.6	13.9	331.9	14.4
Tier 1 capital	379.7	15.5	339.1	13.2	328.4	14.3	323.6	13.9	331.9	14.4
Total available own funds	479.7	19.6	439.1	17.1	428.4	18.7	423.6	18.2	431.9	18.8

1) Own funds requirements according to article 92.1 a–c, Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms.
2) Special own funds requirement according to chapter 2, 1 2, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-requirement).
3) Combined buffer requirement according to chapter 2, 2, Act (2014:966) on capital buffers.
4) Notification according to chapter 2, 1 c, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-guidance).

Note 31 Capital adequacy analysis cont.

	12/31/2023		12/31/2022		09/30/2023		06/30/2023		03/31/2023	
Leverage ratio – own funds requirement	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Total exposure										
Total exposure	3,482.2	–	4,067.2	–	3,274.8	–	3,347.8	–	3,322.6	–
Own funds requirement (Pillar 1 requirement)[1)]										
Common Equity Tier 1 (CET1) capital	0	0	0.0	0.0%	0	0	0	0	0	0
Tier 1 capital	104.5	3.0	122.0	3.0%	98.2	3.0	100.4	3.0	99.7	3.0
Leverage requirement (Pillar 2 requirement)[2)]										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Notification (Pillar 2 guidance)[3)]										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Total capital	0	0	0	0	0	0	0	0	0	0
Overall adequate level of own funds										
Common Equity Tier 1 (CET1) capital	0	0	0.0	0	0	0	0	0	0	0
Tier 1 capital	104.5	3.0	122.0	3.0	98.2	3.0	100.4	3.0	99.7	3.0
Total capital	104.5	3.0	122.0	3.0	98.2	3.0	100.4	3.0	99.7	3.0
Overall adequate level of own funds										
Common Equity Tier 1 (CET1) capital	379.7	15.5	339.1	13.2	328.4	14.3	323.6	13.9	331.9	14.4
Tier 1 capital	379.7	15.5	339.1	13.2	328.4	14.3	323.6	13.9	331.9	14.4
Total capital	479.7	19.6	439.1	17.1	428.4	18.7	423.6	18.2	431.9	18.8

1) Own funds requirements according to article 92.1 d, Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms.
2) Special own funds requirement according to chapter 2, 1 1, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-requirement).
3) Notification according to chapter 2, 1 c, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-guidance).

Internally assessed capital requirement
As of December 31, 2023 the internal assessed capital requirement, as per the minimum capital requirement according to Pillar 1, additional capital requirement as per the company's internal capital adequacy assessment process to cover for risks within Pillar 2, and the combined buffer requirement, amounted to SEK 338 million, or 13.8% of the risk-weighted exposure.

Note 32 Pledged assets, contingent liabilities and commitments

Pledged assets

Group/Parent Company

SEK million	12/31/2023	12/31/2022
Loans receivable	–	1,848.2
Total	**–**	**1,848.2**
The collateral above pertains to the following liabilities		
Liabilities to credit institutions	–	–
Total	**–**	**–**

There were no commitments or contingent liabilities with third parties on the reporting date.

Note 33 Disclosures on related parties

All companies that are part of Qliro AB as well as key senior executives constitute related parties. During the year, there were normal business transactions between Qliro and other Group companies, as well as ongoing contractual remuneration to the CEO, Board and other key executives. The pricing of the business is based on market conditions.
Regarding salary and other remuneration as well as pensions for key senior executives, see Note 9 for further information.

Transactions and transactions with related parties, SEK million	12/31/2023	12/31/2022
Related parties		
Interest income	–	–
Commission income	–	–
Other operating income	–	–
General administrative expenses	–	–
Other assets	2.9	2.6
Other related parties		
General administrative expenses	-2.3	-2.5
Deposits and borrowing from the public	1.2	1.1

Note 34 Events after the end of the period

- The Extraordinary General Meeting authorized, in accordance with the Board's proposal, a long-term incentive program for 2024, including issue and transfer of warrants, and a short-term incentive program for 2024 .
- The Swedish FSA informed Qliro of its decision regarding its review and evaluation process (ÖUP) for 2023. Since December 31, 2023, Qliro satisfies the new capital adequacy requirements and the capital guidance that came into effect on March 21, 2024.

Note 35 Earnings per share

The calculation of earnings per share is based on profit/loss attributable to the Parent Company's shareholders and the weighted average number of shares outstanding. There were no outstanding potential ordinary shares that can trigger a dilution effect during the periods included in the financial reports. Diluted earnings per share therefore corresponds to earnings per share before dilution. 19,072,973 shares were used in the calculation of earnings per share.

The share price as of December 31, 2023 was SEK 21.0.

Group	2023
Profit for the period attributable to the shareholders of Qliro AB (publ) SEK million	4,120,633
Average number of shares before and after dilution	19,072,973
Earnings per share before and after dilution	0.22

Note 36 Proposed appropriation of profits

Parent Company

The following profit is at the disposal of the Annual General Meeting (SEK):	
Retained earnings	241,799,572
Share premium reserve	21,713,505
Fair value reserve	-3,982,028
Profit/loss for the year	3,523,507
Total	263,054,556
The Board of Directors proposes that earnings and unrestricted reserves be distributed as follows:	
To be carried forward	263,054,556
Total	263,054,556

THE BOARD'S ASSURANCE

The Board's assurance

The undersigned certify that the Consolidated Financial Statements and the Annual Report have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and generally accepted accounting principles and present a fair summary of the company's and the Group's activities, position and results of operations, and describes the significant risks and uncertainty factors faced by the company and its subsidiaries.

Stockholm, Sweden, April 18, 2024

Patrik Enblad
Chairman

Alexander Antas
Board member

Mikael Kjellman
Board member

Lennart Francke
Board member

Helena Nelson
Board member

Christoffer Rutgersson
CEO

Our Audit Report was presented on April 18, 2024
KPMG AB

Mårten Asplund
Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of Qliro AB (publ.), corp. id 556962-2441

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Qliro AB (publ.) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 47-97 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Lending and provisions for credit losses

See note 14 and 17 and accounting policies in Note 2 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

Lending in Qliro AB mainly consists of invoices, consumer finance and personal loans. Lending is conducted in Sweden, Finland and Denmark. The company's lending to the public amounted to SEK 2,613 million as of December 31, 2023, which corresponds to 71 percent of the company's total assets. The company's provisions for credit losses in the loan portfolio amount to SEK 134 million.

Provisions for credit losses in the company's loan portfolio represent the company's best estimate of potential losses in the loan portfolio at the end of the reporting period in accordance with IFRS 9

The provisions require the company to make estimates and assumptions about credit risks and calculate expected credit losses. Due to the complexity of these calculations and the estimates and assumptions, we regard this as a key audit matter.

Response in the audit

We have tested the company's key controls in the lending process, including credit decisions, credit reviews, ratings classifications and models for credit loss provisions. Tested controls included both manual and automatic controls in the application system. We have also tested general IT controls for current systems.

We have reviewed the company's policies based on IFRS 9 to determine whether the company's interpretation is reasonable. Further, we have tested the company's key controls in the provisions process. We have also sampled inputs in the models and the accuracy of the calculations. In addition, we have reviewed and estimated outcomes of the model valuation that was performed. In our audit we have used our internal model specialists to assist us in the audit we conducted.

We have reviewed the circumstances presented in the disclosures in the annual report and consolidated accounts and whether the information is sufficient as a description of the company's estimates.

Valuation of Intangible Assets
See note 20 and accounting policies in Note 2 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter
The carrying amount of the company's proprietary and acquired intangible assets amounted to SEK 199 million as of December 31, 2023, which corresponds to approximately 5 percent of total assets.

Intangible assets with an indefinite life are tested annually for impairment. Other intangible assets are tested when there is an indication of impairment. Impairment tests are complex and entail significant estimates. The estimated recoverable amount for the assets is based on forecasts and discounted future cash flows, where the estimated discount rate, income forecasts and long-term growth estimates are by definition dependent on projections, which can be influenced by management

Response in the audit
We have reviewed capitalization and that the impairment tests are prepared in accordance with the methodology prescribed by the IFRS.

Additionally, we have evaluated cash flow projections and the assumptions that served as their basis, which includes the long-term growth rate and uses discount rates. We have also evaluated the historical accuracy of the forecasts. We have performed sensitivity analyses to evaluate the parameters used in the impairment tests. Furthermore, we have ensured that the supplemental disclosures meet the requirements of the accounting standards.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-39 and 91-98. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Qliro AB (publ.) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of

Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Qliro AB (publ.) for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Qliro AB (publ.) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Qliro AB (publ.) by the general meeting of the shareholders on the 17 May 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2014.

Stockholm 18 April 2024

KPMG AB

Mårten Asplund
Authorized Public Accountant

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures used by management and analysts to evaluate the company's progress, which are not specified or defined in IFRS or other applicable regulations.

Performance measures	Definition	Purpose
Return on equity, (%)	Net income for the year/period, restated as a full year value, as a percentage of average equity for two measurement periods (opening and closing balance for the period).	The measure is used to analyze profitability in relation to equity.
Deposits and borrowing from the public	The period's closing balance for deposits and funding from the public in the Balance Sheet.	The purpose is to monitor the level and growth of the deposit business, and to track the scope of external funding derived from deposits from the public.
Items affecting comparability	Income and expenses that significantly affect comparability over time because they do not by nature or size recur with the same regularity as other items.	The company's management separates out items affecting comparability in order to explain variations over time. Separation of the items makes it easier for readers of the financial reports to understand and evaluate what management is doing when certain items, subtotals and totals from the Income Statement are presented or used in other performance measures.
C/I ratio, %	Total expenses before credit losses as a percentage of total operating income.	The purpose is to provide an indication of the company's cost-effectiveness in relation to total operating income. Also used in benchmark comparisons.
Net credit losses	The period's expected credit losses on Balance Sheet items as well as the period's established credit losses, net.	The purpose is to track the scale and trend for credit risks in lending, and to explicitly do so for the scale of forecast-based credit losses reducing net income for the period.
Credit loss level, % in relation to average lending	The period's credit losses, restated as a full-year value, net in relation to average net lending to the public for two measurement periods (opening and closing balance for the period).	The purpose is to provide a measure of credit losses in relation to net lending to the public. The measure is critical to the analysis of credit risk between periods and versus the competition.
Credit loss level Digital Banking Services, % in relation to average lending Digital Banking Services	The period's credit losses in Digital Banking Services, restated as a full-year value, net in relation to average net lending to the public in Digital Banking Services for two measurement periods (opening and closing balance for the period).	The purpose is to provide a measure of credit losses in relation to net lending to the public. The measure is critical to the analysis of credit risk between various periods and versus the competition.
Credit loss level, % in relation to processed Pay Later volume[2)]	The period's credit losses for Pay Later[1)], restated as a full-year value, net in relation to total capitalized volume.	The purpose is to provide a measure of credit losses in relation to processed Pay Later volume[2)] .The measure is critical to the analysis of credit risk between periods and versus the competition.
Profit/loss for the period adjusted for items affecting comparability	Net income for the period after tax adjusted for items affecting comparability.	Net income for the period is tracked to monitor total return, after total expenses and tax. Adjustment for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Net commission income	Total commission income less commission expenses.	Net commission income is monitored to track the progress of the core business not attributable to lending and deposits. Largely reflects the scope and profitability of lending commission related to Payment Solutions' products and other payment services.
Net commission income adjusted for items affecting comparability	Total commission income less commission expenses adjusted for items affecting comparability.	Net commission income adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Net interest income	Total interest income less interest expenses.	Net interest income is monitored to track the progress of the core business related to lending and deposits.
Net interest income adjusted for items affecting comparability	Total interest income less interest expenses adjusted for items affecting comparability.	Net interest income adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.

Alternative performance measures cont.

Performance measures	Definition	Purpose
Operating profit	Total operating income less administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, other operating expenses and credit losses, net.	Operating profit is monitored to track the profitability of overall operations, taking into account credit losses and all other expenses except tax.
Operating profit adjusted for items affecting comparability	Total operating income less administrative expenses, depreciation, amortization and impairment, other operating expenses and credit losses adjusted for items affecting comparability.	Operating profit adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Operating profit less depreciation, amortization and impairment	Total operating profit less depreciation, amortization and impairment of property, plant and equipment and intangible assets	The purpose is to evaluate operating activities.
Total expenses before credit losses	Total operating expenses, representing total administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, and other operating expenses, in the period.	The purpose is to monitor the extent of central expenses not directly related to lending and commission.
Total operating income	Total net interest income, net commission income, net profit/loss on financial transactions, and other operating income.	Total operating income is monitored to track progress of the core business before employee benefits, depreciation and amortization, credit losses and other central expenses. The measure depends primarily on the overall trend in net interest income and net commission income.
Total expenses before credit losses	Total operating expenses, representing total administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, and other operating expenses, in the period.	The purpose is to monitor the extent of central expenses not directly related to lending and commission.
Total operating income margin, %	Total operating income restated as a full-year value, in relation to average net lending to the public for two measurement periods (opening and closing balance for the period).	The measure is used to analyze value creation and profitability in relation to net lending to the public.
Lending to the public	Loans receivable less provision for expected credit losses.	Net lending to the public is a central driver of total operating income.

OPERATING PERFORMANCE MEASURES

Performance measures	Definition	Purpose
Number of connected merchants	Number of brands using Qliro as a payment provider.	Number of connected merchants is a central measure in the analysis of the growth forecast for Pay Later volumes[1].
Payment volume[4]	The total payment volume processed in Qliro's checkout, including VAT for direct payments and Qliro's payment products. Pay Now volumes[4] + Pay Later volumes[2].	The total payment volume for all payment methods offered through the Payment Solutions segment. This volume plays a key role in Qliro's earnings and the dynamics of the earnings structure, as well as for the structure of the loan portfolio.
Pay Now volume[4]	Total volume, including VAT, for direct payments (card, bank transfer, Swish, Paypal, MobilePay, etc.).	The Pay Now volume4) is an important part of the business model, enabling us to offer our customers an integrated solution in Qliro's checkout, and is also a driver of total operating income.
Pay Later volume[2]	Total volume of Qliro's payment products (invoice, BNPL or part payment), including VAT	Pay Later volumes are a central driver of total operating income. The measure is used as a complement to lending to the public in order to capture the high turnover in the loan portfolio of the Payment Solutions segment.
BNPL volumes	Total purchases completed using different Pay Later products, such as "buy now, pay later", "flexible part payments" and "fixed part payments". Invoicing is not included in this performance measure.	BNPL volume is an important performance measure as it provides insight into growth, credit risk, income and profitability.

Operating performance measures cont.

Performance measures	Definition	Purpose
Invoice volumes	Total purchases completed using the invoicing product.	Invoiced volume is an important performance measure as it provides insight into growth, credit risk, income and profitability.
Pay Now transactions[4)]	Number of transactions for direct payments (card, bank transfer, Swish, Paypal, MobilePay, etc.).	The Pay Now volume is an important part of the business model, enabling us to offer our customers an integrated solution in Qliro's checkout, and is also a driver of total operating income.
Pay Later transactions[3)]	The number of transactions using Qliro's payment products (invoice, BNPL or part payment).	Pay Later volumes are a central driver of total operating income. The measure is used as a complement to lending to the public in order to capture the high turnover in the loan portfolio of the Payment Solutions segment.
Average order value[4)]	Total Pay Later volumes[2)] and Pay Now volumes[4)] in relation to Pay Now transactions[4)] and Pay Later transactions[3)].	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings and the structure of the loan portfolio.
Average order value, Pay Now [4)]	Total Pay Now volumes[4)] in relation to Pay Now transactions[4)].	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings.
Average order value, Pay Later[3,4)]	Total Pay Later volumes[2)] in relation to Pay Later transactions[3,4)].	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings and the structure of the loan portfolio.
Payments Take-Rate (% Total operating income in relation to total payment volume)[4)]	Total operating income/Payment volume[4)].	This metric is used to analyze value creation and profitability in relation to total volumes processed in Qliro's checkout.

OTHER PERFORMANCE MEASURES

Performance measures	Definition	Purpose
Common Equity Tier 1 capital ratio, %	Regulation (EU) No. 575/2013. The institution's Tier 1 capital level expressed as a percentage of the risk exposure amount.	**Regulatory requirement** – A regulatory floor applies to the total capital ratio to ensure that the institution has sufficient capital.
Liquidity Coverage Ratio (LCR) %	Regulation (EU) No. 575/2013 and Regulation (EU) No. 2015/61. The Liquidity Coverage Ratio comprises the high-quality liquid assets that the institution holds divided by net liquidity outflows during a 30 calendar day stress period.	**Regulatory requirement** - Legislators require the institution to hold high-quality liquid assets to cover net liquidity outflows during a 30 calendar day stress period to ensure that the institution has sufficient capital.
Total capital ratio, %	Regulation (EU) No. 575/2013. The total capital ratio is the institution's own funds expressed as a percentage of the total risk amount.	**Regulatory requirement** – A regulatory floor applies to the total capital ratio to ensure that the institution has sufficient capital.

1) Pay Later was termed Pay After Delivery (PAD) in previous reports
2) Pay Later volume was termed Pay After Delivery volume in previous reports
3) Pay Later transactions were termed Pay After Delivery volume in previous reports
4) New KPIs Q1 2023

ANNUAL GENERAL MEETING 2024

The Annual General Meeting will be held on May 28, 2024, in Stockholm, Sweden. Further information about the Annual General Meeting will be made available on Qliro's website.

FINANCIAL CALENDAR

April 25, 2024	Interim Report Q1
May 28, 2024	Annual General Meeting 2024
July 17, 2024	Interim Report Q2
October 25, 2024	Interim Report Q3

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The financial reports are also published at: www.qliro.com/en-se/investor-relations

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