

QLIRO

Annual report 2021



How do you want to pay?

Before delivery

After delivery

Within 14 days

Pay in November

Part Pay

QLIRO

Delivery option

or shipping with Instabox, Airmee or Budbee
by order above 600 kr.

To Service Point

Tonight, with Budbee
Between 5-10 PM, follow your
delivery in your phone

Tomorrow, with Airmee
Between 2-8 PM, follow your
delivery in your phone

March 20...

9 kr

-39 kr 0 kr

-59 kr 0 kr

postnord

Invoices

Nordiffeel.se
8 days

1 199 kr

Payment options

January 20

Bangerhead

December 10

Nelly.com

Nelly.com

1 199 kr Paid

1 199 kr Paid

1 199 kr Paid

Feed

Loans

Pay

Savings

More

9:41

6 570 kr

Flexible account

You've earned
59,13 kr

Details

History

1 060

900

890

960

900

870

1 000

Aug

Sep

Oct

Nov

Dec

Jan

9:41

Time to pay?
We notify you

If you want. Allow notifications and
we will remind you when to pay.

Yes, remind me

No thanks

20 128 kr

Your payment in

See more

Pay now

Purchases

Nelly.com
8 days

199 kr

9:41

Return guide

Pack the return, check with the
store how they want it done.

Send the package, the
store knows how and why.

9:41

Pay

Invoices

Purchases

Part Pay

Nordiffeel.se

1 199 kr

Pay all
Today

Welcome to Qliro

Founded in 2014, Qliro is a fast-growing tech company that offers online payment solutions, including a complete checkout solution for e-merchants and their customers in the Nordics.

Qliro has a strong and growing market position in payment solutions for large e-merchants, a market with strong underlying growth. Via modern digital platforms, customers can easily manage their payments and are cost-effectively offered other products such as personal loans and savings.

Qliro has two business segments: Payment Solutions and Digital Banking Services.

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Note to readers of Qliro's Annual and Sustainability Report.

Alternative Performance Measures are key indicators not defined in the International Financial Reporting Standards (IFRS) or in the fourth Capital Requirements Directive (CRD IV) or in the EU's Capital Requirements Regulation (CRR) 575/2013. The financial performance measures are used internally to monitor and govern operations. These measures are not directly comparable to similar financial measures presented by other companies; for definitions of key performance measures, see pages 79–80. Qliro AB, with corporate ID number 556084-0315, has its registered address in Stockholm. For more information on Qliro's operations, visit qliro.com or contact us at ir@qliro.com

OUR HISTORY

Qliro is founded as a subsidiary of CDON Group (later Qliro Group) with the aim of simplifying online payments and developing a flexible payment solution based on the needs of large merchants.

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

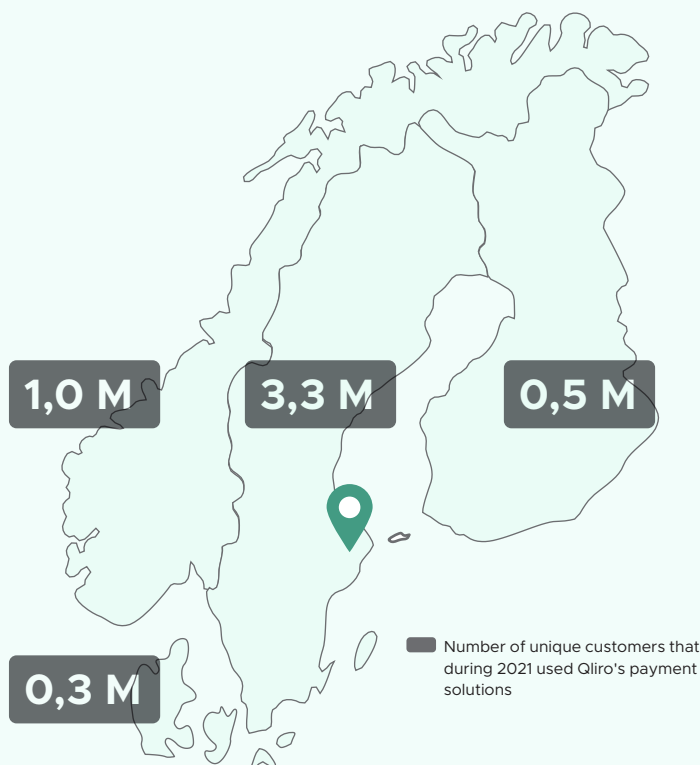
The company's commercial focus is increased with a new management team.

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

Qliro onboards new merchants like Biltema and the first pure Norwegian merchant Blush.



OUR MARKETS



VÅR VISION

- To offer next-generation payment solutions that improve the buying experience for consumers and contribute to the success of merchants
- To be a reliable partner for merchants and a digital platform for consumers by delivering a wow experience

2021 in numbers

SEK 404 M

Total income¹⁾ (+4%)

SEK 7,125 M

Pay-after-delivery (PAD)
volume (+15%)

SEK 2,231 M

Deposits and borrowings from
the public (+5%)

7.4 million

PAD transactions (+3%)

SEK 2,759 M

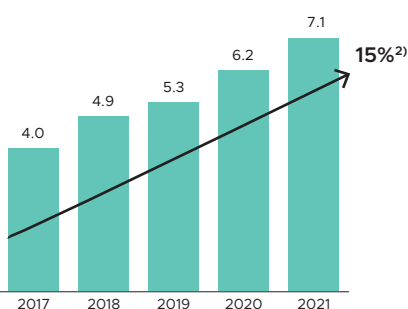
Lending to the public (+12%)

22.4%

Total capital ratio (26.8%)

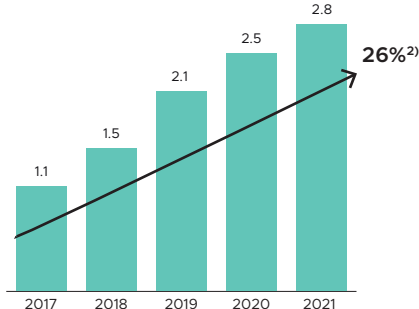
Pay-after-delivery volume

SEK BN



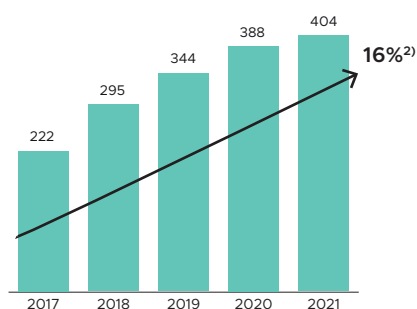
Lending to the public, net

SEK BN



Total income¹⁾

SEK M



1) Adjusted for items affecting comparability
2) Compound annual growth rate (CAGR)

2.5 million

Active customers that
used Qliro's own payment
products

4.4

Out of 5 – average score for
Qliro's app in the App Store

208

Average number of
employees (198)

5.2 million

Consumers that used Qliro's
payment solutions

+24

Average employee Net
Promotor Score (+16)

16,339

Shareholders (16 872)

Highlights of the year

Q1

- **New partnership** with the e-merchant Stronger regarding payment solutions in the Nordic's
- **The digital sustainability service Retursmart is launched** in Qliro's swedish app.
- **The digital app's** in Norway and Finland and updated applications are thereby available in all nordic markets.

Q3

- **New partnership** with the e-merchant Teknikproffset.
- **Decides to stop e-mail marketing** of private loans after a close dialogue with Qliro's merchants.

Q2

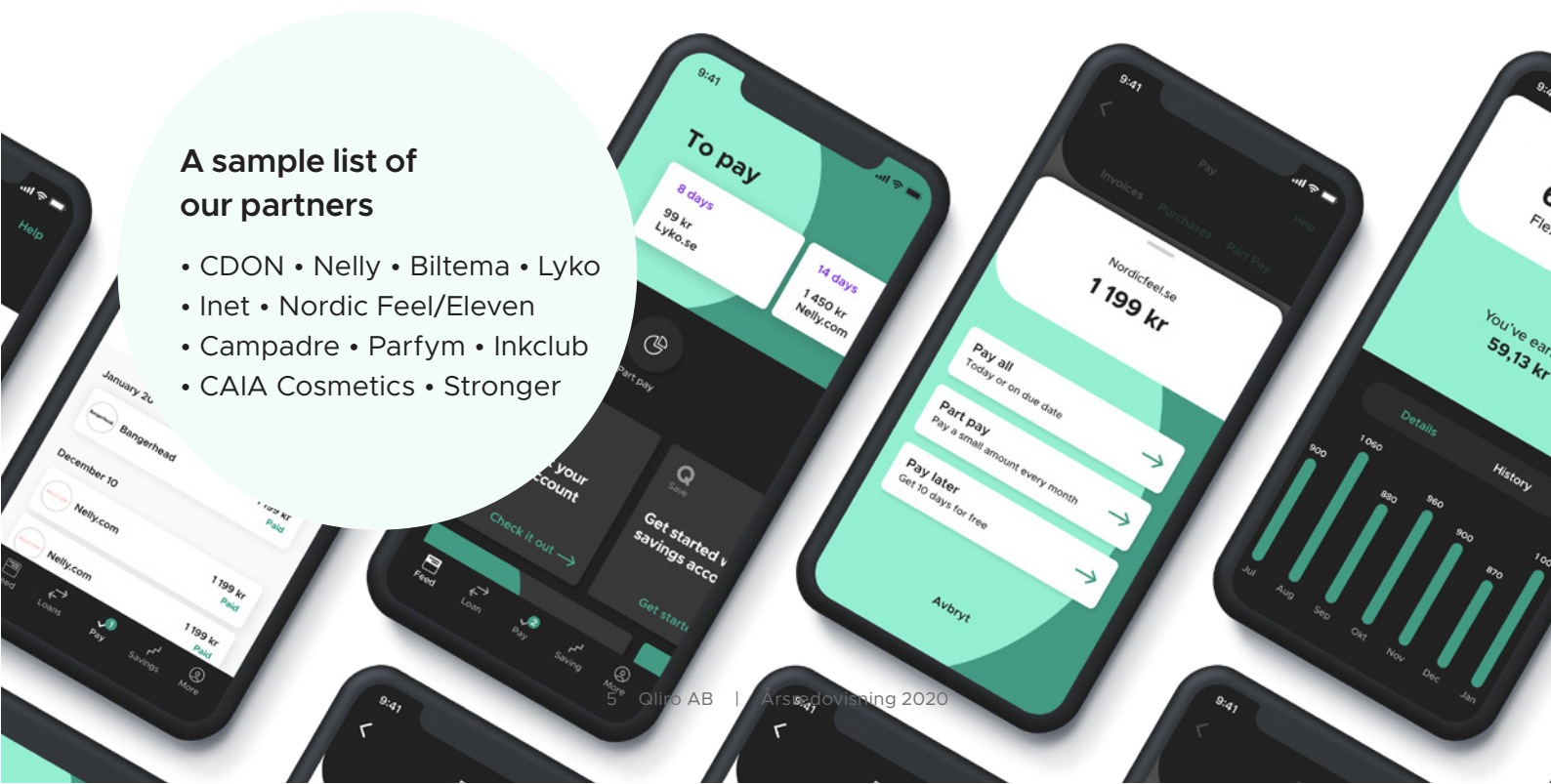
- **VIPPS and Mobilepay** which are popular payment methods in Norway and Denmark are integrated in Qliro's checkout.
- **The digital sustainability service Retursmart is launched** in the swedish app.
- **Blush - the first pure Norwegian merchant** goes live with Qliro's payment solution.

Q4

- **Qliro broadens its offering** to include a more standardised offering for SME-merchants in Sweden
- **Highest ever business activity** – more than 2.7 million consumers use Qliro's services. More than 1 million consumers use Qliro's digital after purchase applications and the volume for Qliro's PAD-products exceeds 2.2bn SEK.
- **Communicated that Carolina Brandtman** will leave Qliro, The recruitment of a new CEO immediately starts.

A sample list of our partners

- CDON • Nelly • Biltema • Lyko
- Inet • Nordic Feel/Eleven
- Campadre • Parfym • Inkclub
- CAIA Cosmetics • Stronger



Focused strategy will improve the offer and increase shareholder value

At the end of 2021, Qliro adjusted its strategy to place greater focus on the core business: being the best payment partner to e-merchants in the Nordics. In addition to being payment partner to the largest e-merchants, the strategy was broadened and work was begun to create more standardized offers for medium-sized e-merchants.

Qliro – the challenger in payment solutions for e-commerce

Qliro is a growing tech company and an established payment partner to major e-merchants in the Nordics. We are the main challenger to Klarna in e-commerce payments with many strong brands as customers, where surveys show that we have clearly taken over second place in the market when consumers are asked about us against the competition. In 2021, more than 5 million consumers used our payment solutions through merchants, and about half of them used one or more of our payment products when shopping online. We were born in the digital era without a long history from brick-and-mortar retail. Our payment solution was built from the start for online with a focus on simplicity and convenience for the customer.

The Covid-19 pandemic and the war in Ukraine

The pandemic continued to affect us and consumption patterns in 2021. Since the pandemic's outbreak, the majority of our employees have worked remotely. Since the start of the year, the number of employees at the office has again increased and we are now using a hybrid model where employees, depending on function and preference, blend remote work with time at the office.

The transition from brick-and-mortar to e-commerce has been accelerated by the pandemic as more customers and new customer segments have shopped online. For most of our e-commerce partners, the pandemic has positively affected revenues, while merchants in apparel and entertainment, for example, have been negatively impacted. In total, business volumes were positively affected in 2021, although the fourth quarter saw a slowdown in e-commerce growth as more people returned to stores. In the long term, we expect e-commerce to continue to grow.

In general, the pandemic has not had a negative impact on credit quality or customers' ability to pay on time. On the contrary, credit quality has continued to improve thanks to enhanced lending tools and better digital services so that customers won't be late on their payments.

Like the rest of the world, we have been horrified recently by the ongoing war in Ukraine. Since the war broke out, we have focused on taking care of and supporting our

employees with ties to Ukraine or Russia. We are generally being more vigilant and have heightened our preparedness through various measures to further strengthen cybersecurity.

Stronger offer and new partnerships

In 2021, we improved our payment offer by integrating the popular payment methods Vipps (the Norwegian equivalent of Swish) and Mobilepay, and the aim in 2022 is to integrate Swish. We will obviously offer the payment methods that merchants' customers want and we will generate more of our revenue from payment methods offered through partners.

The improvements to our offering, coupled with better digital sales support in Sweden and the other Nordic markets, have produced results. In 2021, Norway was our fastest growing market and we added Blush, our first fully Norwegian merchant. Together with other new merchants with a strong Nordic offering such as Biltema, this contributed to strong volume growth. In early 2022, an agreement was signed with Stronger, a successful fashion brand with global sales, which chose us as a payment partner in the Nordics since they want to work with the best partner in each market.

In total, payment volumes increased by 15 percent during the year. Growth slowed at the end of the year due to lower e-commerce volumes following the lifting of pandemic restrictions. In Norway, payment volumes grew by 39 percent.

Our income grew by 6 percent and total lending by 12 percent. The margin in payment solutions was lower than in 2020, mainly due to regulations introduced in 2020, but since the start of 2021 it has been stable. Our expenses rose by 3 percent and credit losses were down 20 percent. Profit for the period amounted to SEK -40 million (-67). While it is positive that our business continues to grow and that we have improved our results, the aim is to speed up improvements and accelerate income growth.

Our sustainability agenda

Acting sustainably as a business and inspiring e-merchants and customers to make sustainable choices is important to us. In our sustainability work, we have continued to focus on three



main areas: sustainable e-commerce, responsible business and lending, and being an attractive employer.

We made improvements in each area during the year. In sustainable e-commerce, we continued to collaborate with the industry with a greater focus on sustainability and climate issues through industry-wide initiatives. In our Swedish apps, we launched the Retursmart and Livsstilsprofilen services to help educate consumers. We have also continued to improve routines in our office to reduce our direct impact on climate change.

In the area of responsible business and lending, the emphasis on responsible lending continued to produce results in the form of fewer late payments and lower credit losses. Here we can mention services that enable customers to link a bank account to payments and add a function which ensures that payments are always made on the due date. There is also the option of receiving push notices and delaying the payment date for invoices by an additional ten days directly in the app. As an employer, we have reinforced a positive corporate culture and our average employer net promoter score (eNPS) from employees has risen. We rank significantly above the industry average. Learn more in our sustainability report on pages 9–21.

Focus on the merchant and safe and secure payments

Qliro's strategy in recent years has focused on serving as a payment partner, offering our own banking services, and broadening the range of consumer products in our digital channels through partnerships. In December, the Board of Directors established a slightly revised strategy which places greater focus and resources on the payment offer for merchants and their customers. By focusing on safe and secure payments, we will speed up the pace of development and raise our ambitions in the payment area. We are and will continue to be the best partner to major e-merchants, where we will continue to build on our DNA. We want to be the merchant's best friend and help them optimize their business. We are responsive and flexible and are at their service.

As part of the revised strategy, the offering for the SME segment in Sweden was broadened at the end of 2021 to include more standardized offers, and our processes to integrate new merchants were improved. In the customer

» By delivering the best service experience to our merchants and their customers, Qliro will continue to challenge the market and gain ground in the Nordics «

on-boarding process, we plan to form more partnerships with e-commerce platforms. In the last half year, we have started partnerships with Wikinggruppen and Centra and will continue to add a number of priority platforms.

I have now been fortunate to serve as acting CEO of Qliro for a couple of months with responsibility for delivering on the strategy that the Board of Directors established. After having dialogued with many of our customers and other e-commerce decision-makers in Sweden, it is obvious to me that there is a demand for a strong player like Qliro to gain further ground. While other payment providers focus on different geographic markets, build their own marketplaces or see payments as a small part of a larger business, we intend to focus our resources and know-how going forward on improving our payment offer and helping merchants grow. By doing so and delivering the best service experience to our merchants and their customers, Qliro will continue to challenge the market and gain ground in the Nordics.

I will continue our efforts to add more merchants, form new e-commerce partnerships and grow volumes in order to create greater shareholder value over time and improve our future results.

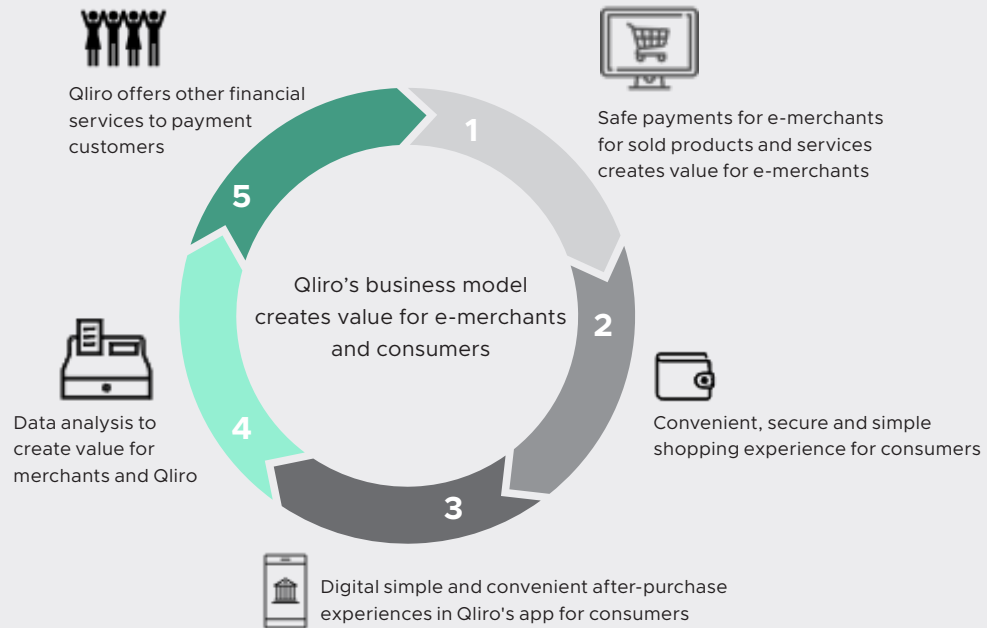
Jonas Arlebäck
acting CEO


Business model


Qliro's business model – more than just payments


The core business is payments, but Qliro's solution is bigger than that. The customer shops, is shipped their goods and pays in the app. By being clear and transparent, Qliro makes it convenient to pay.


Qliro creates value for e-merchants by increasing sales, improving cash flow and raising income. Qliro also manages credit and fraud risks.




 1. Qliro attracts larger and mid-sized e-merchants in the Nordics with its flexible checkout solution. The strategy for e-merchants is to be a reliable partner that supports them in every aspect of their business and offers their customers a truly outstanding customer experience.

 2. When a customer shops with one of Qliro's e-commerce partners and chooses one of Qliro's credit products, they become a Qliro customer. The customer finds a convenient, secure and simple shopping experience. Qliro's payment methods provide protection for the consumer, who does not have to pay before the goods have been delivered. This is where the majority of Qliro's income is generated in the segment Payment Solutions.

 3. The customer finalizes and manages payments on Qliro's modern digital platforms. The platforms enable them to link their bank account for payments, activate reminders, pause payment in the case of a return, and change their payment date or method.

 4. Advanced analysis and machine learning of transactions and digital interactions are performed on Qliro's data platform to support e-merchants. The platform can handle large volumes of internal and external data in real time and gives data to use for example in credit checks and pricing.

 5. Personal offers are provided on the digital platforms. Qliro offers its own products such as personal loans and savings. The model provides an opportunity to offer additional products at a low cost which makes a competitive pricing possible. This is where income in the segment Digital Banking Services is generated.

»Qliro shall be a reliant partner to e-merchants and offer their customers a outstanding customer experience.«

Sustainability report

Sustainability is high on the agenda for Qliro, our employees, our merchant partners, customers and our owners. Sustainability is an integral part of our strategy. We are convinced that we as a company can contribute to a sustainable future through the active choices we make on how we run our business.

Qliro operates in a socially, ethically and environmentally sustainable way with the goal to create value for partners, customers, employees, owners and society. This also means taking responsibility for minimizing sustainability related risks through proactive measures, robust processes, compliance and transparency. In our sustainability work we focus on three main areas: responsible lending and business, being an attractive employer and sustainable e-commerce.

The sustainability report 2021 comprises Qliro AB (publ) and its subsidiaries. This is Qliro's second 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 21.

» In our sustainability work we focus on three main areas: sustainable e-commerce, responsible lending and business, and being an attractive employer.«

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's operations are divided into two business segments: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing for e-commerce, and the latter comprises personal loans and other digital financial services.

Qliro was founded in 2014 and offers payment solutions that help to convert visitors to the e-merchant's website into paying customers. The payment service ensures that e-merchants receive payment for their goods and allows consumers to shop securely and pay for their purchases by invoice or part payment. During 2021 more than 2.5 million consumers used Qliro's own payment products and the volume exceeded 7bn SEK.

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

Sustainability management

Ultimate responsibility for sustainability issues 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, and each function is responsible for driving and developing the work in its area.

Qliro has a comprehensive policy framework, including the following policies that have an impact on sustainability.

- Enterprise Risk Management Policy – sets out the fundamental principles that apply to Qliro's processes and structures as relates 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., in relation to 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 can and know how to report sensitive issues such as discrimination without the risk that it could lead to negative treatment.
- Policy for handling customers' issues and complaints – describes how Qliro handles complaints from customers.
- Guidelines for remuneration of senior executives – adopted by the Annual General Meeting.
- Merchant Policy – fundamental principles and methods Qliro uses to ensure that all merchants, both new and existing, meet Qliro's requirements concerning 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
- Solid 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 the daily operations for Qliro. To manage risk, Qliro strives to continuously maintain a good 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 control of risk management. All internal governing documents adopted by the Board are reviewed and updated annually, or more often if needed. The Board and, according to instructions from the Board, the CEO are responsible for regularly evaluating whether Qliro’s overarching risks are being 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 the financial reporting and ensuring that internal control is effective. For more information on the RCACC, see page 36. 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.

Risk management based on three lines of defense

Qliro’s risk management is based on the three lines of defense model to ensure that risks which could have a significant impact on Qliro’s strategic, operational, reporting and compliance goals are managed correctly and sufficiently. 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, consisting of 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 29–30 in the Directors’ report.

Qliro works with eight UN Sustainable Development Goals

In addition to following the existing regulations that apply in our markets, Qliro works with 8 of the 17 UN Sustainable Development Goals. The seven goals we have identified that Qliro is able to impact and contribute to are:

-  Qliro takes responsibility for people and society by offering a safe and healthy working environment.
-  Qliro promotes gender equality with equal opportunities for women and men. We are dedicated to developing a culture and workplace distinguished by gender equality, equal terms and diversity.
-  Qliro wants to contribute to sustainable growth and job opportunities by helping partners achieve success and grow. Qliro’s convenient checkout solutions and sustainable financial solutions contribute to economic growth in our markets.
-  When developing new products and services, Qliro’s compliance function is brought in at an early stage to ensure that regulations are followed and that appropriate processes and control routines are in place. We see potential to develop more sustainable services.
-  Qliro wants to contribute to reducing inequalities and is a company with equal opportunities for all regardless economic or social status.
-  Responsible and sustainable lending requires credit checks and processes to ensure that customers can repay their debt and to avoid over-indebtedness.
-  Qliro is a small actor in a global context with little direct impact on climate change. We still believe that we can help to drive change towards a more sustainable future mainly through our position between e-merchants and consumers in the Nordics.
-  By taking initiative and taking part in networks in the e-commerce industry, we contribute to the transition to a more sustainable future.

FOCUS AREA 1

Sustainable e-commerce and reduced climate impact



The climate issue and the global climate crisis are one of our times biggest challenges and a challenge that we at Qliro believe in everyone in society must be helped to solve. Qliro is a small actor in the global context, but we believe we can contribute to drive change towards a more sustainable future conscious choices in our daily activities.

Risk management in sustainable e-commerce

At Qliro we take climate change seriously and playing a part in driving society towards a more sustainable future could negatively affect Qliro's brand.

Qliro's Employee Code of Conduct mentions climate change as a priority issue for the company. We work actively to reduce our carbon footprint, encourage carbon-neutral travel, and sustainability issues are a parameter when evaluating new suppliers.

Outward-focused initiatives for greater insight, knowledge and engagement on climate impact

Qliro works both internally in the organization and externally on the individual organizational level to create forums and services to disseminate knowledge on the climate issue in e-commerce, but also increase commitment and drive change in the climate issue.

In recent years, the focus has been on sustainability and climate-smart choice increased for Qliro. Qliro uses its platform and position between e-retailers and consumers to drive the development of a more sustainable consumption.

The service "Lifestyle profile" in Qliro's app was launched in 2021 there the user can see their individual climate footprint. The purpose with the service is to raise awareness about sustainable consumption. Earlier in 2021, the service Retursmart was also launched to reduce the number of e-commerce returns through Qliro's app. Qliro also joined the interest group Sustainable E-commerce in 2020, and has throughout 2021 continued the work within of the working group around return handling.

Climate impact and initiatives in day-to-day operations

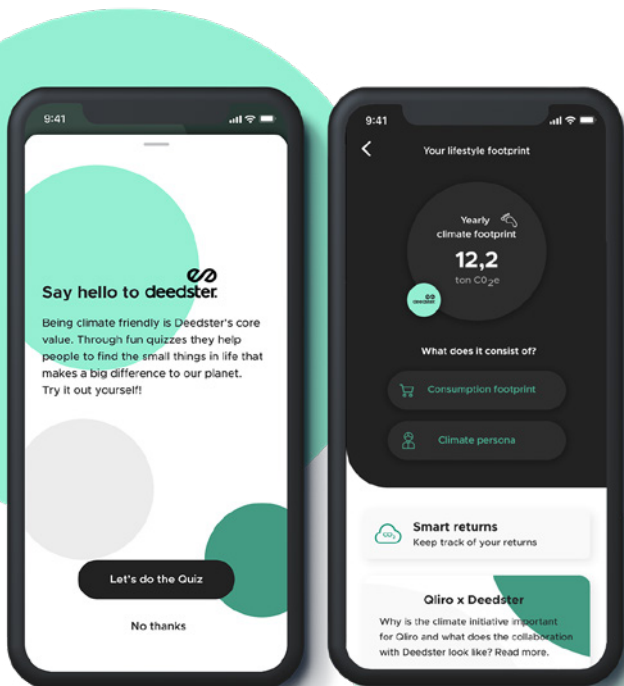
As a digital company in tech and financial services, Qliro's main environmental impact is from its office, data centers and business travel, which will be the priority areas for reducing the climate impact of our day-to-day operations.

In 2021, Qliro has focused on the internal climate impact at the office. For example, Qliro has switched to Fairtrade products, fruit baskets with 50% organic fruit, and vegetarian breakfast and vegetarian menu at all Qliro events. There is waste management in the kitchen for paper, food waste, plastic and hazardous waste. All products used for cleaning are organic and Nordic Ecolabelled. Qliro has also chosen to rent used printers instead of new printers, to reduce consumption of new machines. Qliro also has a completed travel policy that is now included as part of the personnel handbook. All Qliros employees must book travel through Egencia who book travel in the most sustainable way possible.

Energy consumption

All electricity used in Qliro's operations, including the building where the office is located as well as data centers, comes from 100% renewable sources. The office property is BREEAM certified, level 4 of 6, Very Good. BREEAM certification comes originally from 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.

During the spring in 2021, solar cells were installed that now deliver locally produced energy.



The Retursmart service was launched during the year in Qliro's app. The aim is to increase awareness of the impact of returns on the environment and to provide greater transparency to customers on their individual impact. The goal is to reduce the number of returns in the long term.

kWh	2021
Electricity consumption – share of property	92,900
Heat consumption – share of property	30,798
Cooling consumption – share of property	21,263
Electricity consumption – data centers	245,182
Total electricity consumption	390,143

Waste and recycling

It should be easy to recycle and take care of waste the right way. Qliro’s office has clearly labeled recycling stations for paper, plastics, glass and metals. Hazardous waste currently consists of fluorescent lamps, batteries and electronics, and non-hazardous waste consists of glass, metals, cardboard, paper and plastics. In 2021, recycling and reuse from Qliro’s operations reduced CO2 emissions by over 5.8 metric tons. In 2021, the company will also evaluate opportunities to convert food waste to biofuel and to minimize paper consumption.

In 2021, Qliro also has investigated the possibility of managing food waste for recycling the energy for biofuels and to review paper handling to minimize unnecessary use. Qliro aims to implement this during the first half of 2022.

Kg	2021
Total weight hazardous waste	432
Total weight non-hazardous waste reused/recycled	14,447

To ensure that hazardous materials are handled correctly and that recyclable materials are in fact recycled, we have chosen a supplier that offers transparency on how the material is processed once it leaves Qliro.

Travel

Qliro is a growing company with operations throughout the Nordic region, and travel to some extent is part of our business, though mainly within Sweden. Less travelling than usual took place in 2021 due to the ongoing pandemic.

Km	2021
Air	2,606
Car (taxi)	1,605
Rail	2,779

In 2021, Qliro finalized its travel guidelines, where the emphasis is on the following points to encourage climate-smart travel:

- To reduce travel, virtual meetings will be given priority over in-person meetings where suitable.
- Travel will be planned and scheduled using mass transit, or by walking or biking if possible.
- Trains will be given priority over air travel on domestic trips.
- When reserving a taxi or rental car, electric vehicles or other green alternatives will be given priority if possible.

Ambitions and results in 2021

In 2020, Qliro reported ambitions to continue develop the collaboration with Deedster and launch further a service on the theme of sustainable lifestyle and climate impact. Qliro will in 2022 focus on internal improvements. During 2021, Qliro also had the ambition to continue disseminating knowledge among players in e-commerce to highlight the impact of e-commerce on the climate. Through the collaboration with Deedster and the Lifestyle Profile, as well as other initiatives, Qliro has in 2021 continued to shape a workplace where employees have the opportunity to learn more about climate impact and how you as an individual can affect climate impact. The ambition to complete the travel guidelines for even more climate-friendly travel was finished during the year and is included in the personnel handbook. Qliro also actively worked within the network "Sustainable e-commerce" in the focus area returns.

Ambitions 2022

In 2022, Qliro wants to sort all waste in the office and the goal is to have only one supplier for waste management.

Qliro will continue to be part of the network "Sustainable e-commerce" and contributed actively in the area of return management and spread knowledge in our channels about the work within the network.

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 contains modern payment methods offered through partners as well as Qliro's credit products, so-called pay-after-delivery (PAD) products, such as invoices and part payments. Qliro's solution ensures that e-merchants receive payment for their goods and that consumers can shop securely online and offers flexibility when it comes to choice of payment methods.

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

- Responsible lending
- Solid 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 perspective and making sure that enough information is in place to make well-informed decisions.

Consumer lending is licensed and supervised by the Swedish FSA. Qliro's responsibility as a lender includes preventing over-indebtedness, which is why credit checks are performed to ensure that the customer does not borrow more than their financial situation allows. Internal control, together with robust internal systems and processes, is fundamental. To minimize the risk that customers suffer financial difficulties, a

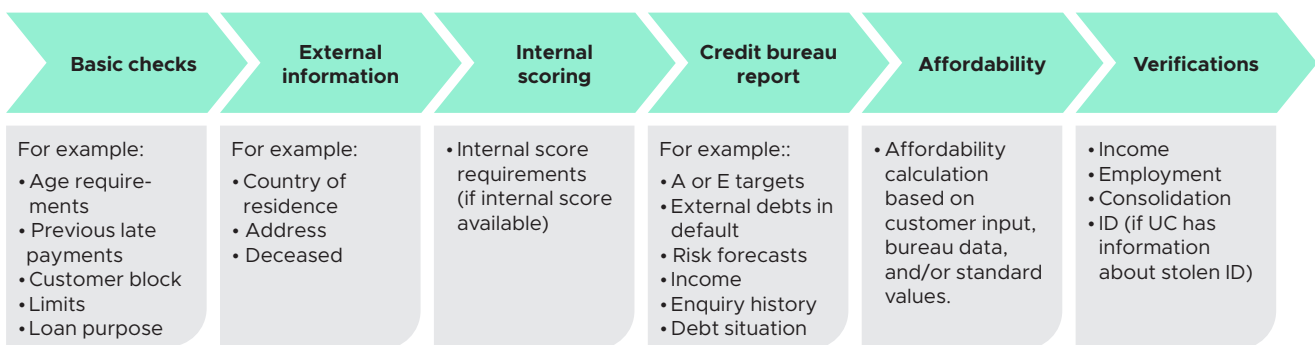
systematic credit process serves as the basis of all decisions and Qliro follows the Swedish Bankers' Association's responsible lending code. We offer credit only to individuals who we believe can repay. However, there is always a risk that customers, due to various circumstances, will have problems repaying their loans, which is not desirable for the customer, society or us as a lender. Responsible lending is therefore our most obvious focus area in our sustainability work.

Qliro's credit assessment is a data-driven, integrated process supported by internal competence. In e-commerce, consumers expect an immediate response to their credit inquiries, which requires us to have automated processes and access to a wealth of data. The illustration below shows the overall credit assessment model, which can vary depending on factors specific to a particular case and on whether a loan is tied to Qliro's PAD products or a personal loan. Qliro has developed its own scorecards for most markets and products, and new scorecards are added over time to improve risk management capacity. The scorecard is also continuously improved through analyses of the large data flow through Qliro's platform. A new credit assessment is done each time a customer makes a purchase or applies for credit. If the customer is assessed as not having the financial capacity to repay the credit, the application is denied.

In addition to reducing credit risks, the goal of Qliro's assessments and loan processing is to ensure sustainable and sound lending. Qliro has had stable credit loss ratios, especially for PAD products in Sweden. The credit loss ratio for private loans has been lowered compared to earlier years as a consequence of a number of improved processes regarding credit assessments as well as an improved provisioning model.

Steps in the credit assessment

(a selection of checks)



Checks depend on a number of criteria, for example applied amount and previous history with Qliro
 For example: an invoice purchase of SEK 100 does not go through the same assessment as a personal loan of SEK 500,000.

Significant risks related to responsible lending:

- Insufficient repayment capacity
- Overindebtedness among customers
- Increased indebtedness in society

Credit assessment in pay-after-delivery products

A credit assessment is done for all purchases with Qliro's PAD products, regardless of size and duration. The controls and rules in the assessment process may vary depending on factors specific to a particular case, including geographic market, repayment period, type of product and customer history. Thresholds, limits and the degree to which external and internal data are used can also differ between products and customers with different payment histories. Qliro has established limits on the highest credit it offers. In general, credit purchases pass through six sets of rules: i) direct rules, ii) threshold, iii) payment history, iv) address verification, v) internal scores and vi) external scores.

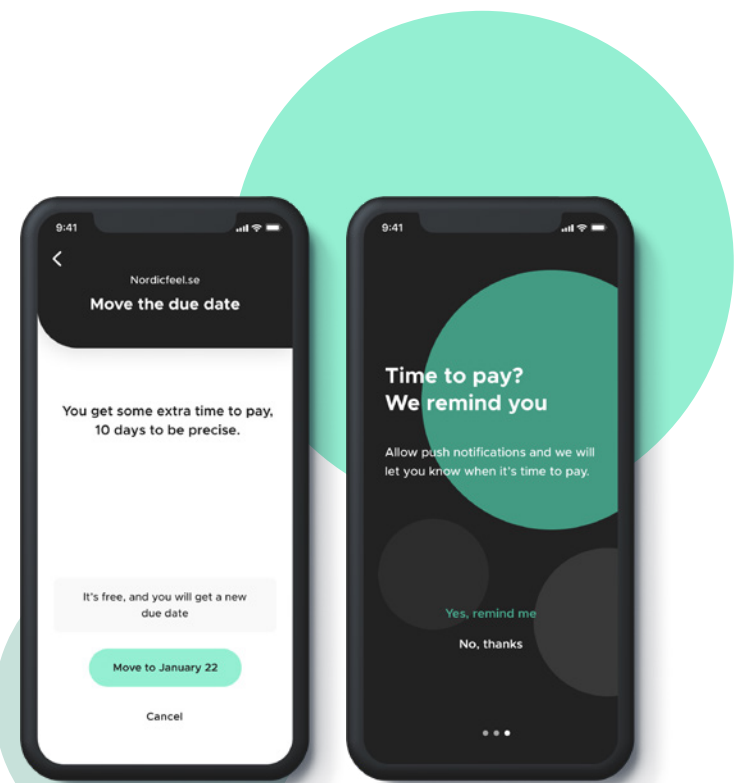
Each set contains different rules depending on the market and to some extent the product. The transaction must pass through every step to be approved, with the exception of the first set, where the customer can be approved or denied directly under certain circumstances. When external data is collected, Qliro collaborates with at least one established credit reporting company to obtain relevant data in each market. For the PAD products in Sweden, Qliro currently has agreements with two companies that serve as primary and secondary providers, where response time is critical. The external information that is obtained is often related to address data and basic customer information as well as non-payments, income and credit score.

Personal loans

Personal loans are offered only in Sweden up to SEK 350,000 per borrower. For two borrowers, the maximum amount is SEK 500,000, but the average loan is approximately SEK 80,000. The credit assessment process for personal loans contains a similar set of rules as PAD products, with additional calculations based on information from the customer and in certain cases controls tied to various documents provided by the customer. In 2020, Qliro launched an internally developed personal loan scorecard, where the credit framework is based to a greater extent on statistical models than expert rules. Qliro's personal loans are marketed only in Qliro's own digital channels, which means that Qliro knows its customers well, since more than 95 percent of all private loan customers are previous PAD customers. Qliro's database on purchasing histories and payment patterns for PAD products is critical therefore to the credit assessment and scoring process for personal loans as well.

Managing overdue payments

Qliro manages reminders of overdue payments using internal resources, which are activated when a customer has violated the terms of their agreement. The measures differ for different receivables depending on financial exposure, risk level and type of products. They include contacting these customers through the app, push notices, text message, email and/or outgoing calls. The development of digital functions and rollout of the new app in 2020 are important steps that make it easier for Qliro's customers to pay on time. For example, they can now link a bank account to their payments and schedule a payment from their bank account on the due date each month. 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 pay their bills, there are established guidelines on how it should be handled to avoid unnecessary unpaid and overdue credits, e.g., by granting a payment-free month. If a customer has not paid despite internal measures, their agreement is canceled and a claim is submitted to an outside collection agency. Canceled agreements negatively impact profitability, the brand and not least the individual, so Qliro always tries to improve both credit assessment processes and processes to help customers



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 be late with a payment.

who are having difficulty paying their bills. Qliro currently has agreements with two collection agencies. When choosing collection partners, Qliro takes ethical aspects and customer relationship management into account.

Development in 2021

In 2021, work continued on improving credit assessments and processes. A number of changes were implemented during the year in the credit assessments of customers who made purchases with PAD products on the Swedish market. For example additional data sources used in the credit decisions were implemented. Improvements have also been made in the management of customers with improved communication to those who experience payment difficulties. It has been much appreciated among customers and contributed to more people being able to pay off their outstanding debt in time. The proportion of customers who has experience payment difficulties on Swedish PAD products decreased by 10-30% during the year. Other Nordic markets have also shown improved figures in the proportion of customers who fail to fulfill their obligations compared with the previous year.

A procurement of a new agreement for the sale of overdue Swedish PAD receivables were implemented during the year. It resulted in an agreement with better prices compared to the earlier agreement. This was made possible by the improved credit quality demonstrated by Qliro's customers. The new agreement had a positive impact on credit losses at the end of the year.

In addition to the changes in credit assessment, customer management, and management of overdue receivables, a new provisioning model for the private loan product was implemented, as well as updates in existing reservation models for the PAD products.

Qliro's reported credit losses, which are a combination of established credit losses and provisions for future potential credit losses, within Payment Solutions amounted to 1.1% of the total PAD volume (1.3% in 2020). Within Qliro's second segment Digital Banking Services the credit loss ratio in relation to average lending was reduced to 0.5% (2.7%). The sharp reduction in credit losses for private loans is due to an improved credit quality as well as the new provisioning model that was implemented in 2021, which dissolved part of the previous credit loss reserve.

Combating corruption, money laundering and terrorism financing

Qliro has zero tolerance for corruption, money laundering and terrorism financing. Corruption poses serious legal risks and reputational risks. Qliro is exposed to corruption through, for example, the risk of fraud, money laundering, terrorism financing, bribery and conflicts of interest. Anti-corruption work is based on Qliro's policy documents. Combating all forms of corruption is an extremely high priority, and the

~ 20%

Reduction of share of claims sent to collection agencies for PAD-products

CEO along with the rest of management have overarching responsibility for the preventive work and ensuring that 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 deny transactions that it suspects, or has reasonable grounds to suspect, may involve money laundering or terrorism financing. Qliro has adopted internal policy documents and procedures to comply with the Act on Measures against Money Laundering and Terrorist Financing.

Policies in the area include:

- Code of Conduct – contains principles for ethical and responsible behavior at
- 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 concerning 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 Code of Conduct and guidelines are fundamental and cover all employees, senior management and Board members. All employees have access through the intranet to the Code of Conduct, and it is part of the mandatory training that Qliro's employees are required to take. 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 control levels, see page 29.

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 terrorism financing, for instance. In the event that suspicious patterns and transactions arise, reporting routines are in place. In collaboration with the Swedish Bankers' 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. The priority therefore is 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 as 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. In a measurement in the fourth quarter 2021 more than 90 percent of Qliro's employees had completed these courses:

- Qliro's Code of Conduct, which is also included in introductory training for new employees.
- Introduction to data privacy
- Compliance onboarding
- Managing conflicts of interest and anti-corruption
- Risk control awareness

Anonymous channel for whistleblowers

Employees who anonymously want to report improper activity can use the whistleblower channel available on Qliro's intranet. The information is also found in the 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 high financial sanctions for Qliro.

»Qliro's employees are aware of the risk exposure towards corruption and which routines that apply for reporting. Continuous education is a top priority.«

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 are processed legally and that the necessary security measures have been taken.

All business entails risks, and in Qliro's case it faces information risks, along with organizational or product changes that potentially could impact information security. Oversight and control are critical therefore to minimize vulnerability. Proactive risk and incident management ensures a high level of protection in terms of information and assets in every aspect of operations.

It is also a question, with the help of control systems, of identifying transactions and monetary flows that deviate from the normal, as well as maintaining adequate control of levels of authority for handling information and executing services. All Qliro employees are responsible for reporting incidents; Qliro's risk control function ensures that an incident owner in the first line is assigned responsibility for managing the incident. 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 high ambitions when it comes to being an attractive employer, and we try to create a WOW-experience in everything we do. 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. An important basis for this ambition is our shared working environment, promoted by consideration and sound values. Processes for employee reviews and professional development are well-established. Examples of benefits includes pension, flexible working hours, supplemental pay during parental leave and wellness allowances.

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. Qliro does not tolerate any form of discrimination or harassment. As part of the onboarding process for new employees, they are informed of Qliro's values regarding gender equality, diversity and discrimination.

Code of Conduct and working environment

All employees are informed of and expected to follow Qliro's Code of Conduct. The Employee Code of Conduct clarifies the obligations of employees and covers the following areas:

- Relationships with customers
- 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

Qliro and its employees together are responsible for a healthy working environment and that every employee is appreciated and respected. Qliro has an instruction on working environments and has established a work environment committee.

Risk management in the area of 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

Being an attractive employer is critical to the business. The risk is otherwise that talented people cannot be recruited or leave the company, which could lead to a talent gap, efficiency losses or a lack of continuity.

Competition for talent in the tech sector in Stockholm is fierce and hiring competent employees is the key to achieving the strategic ambition and surpassing the expectations of partners and customers. Working conditions and compensation help to attract and retain employees, but even more important is to have sound values and offer an attractive workplace and inclusive culture where employees have the opportunity to develop and take responsibility. Using a digital tool, Qliro takes the weekly "temperature" of the organization on issues such as engagement, well-being and corporate culture. The measurements serve as a catalyst for discussions within and between functions on these issues and also help to provide input on where special measures or improvements may be needed.

For Qliro, diversity and gender equality are imperative, partly to offer an attractive and inclusive workplace and partly to have the knowledge and understanding of what customers and markets need. A lack of gender equality and diversity may lead to an inability to understand the market. When recruiting new employees, Qliro looks for a variety of skills and other qualities in terms of gender, age, etc. and strives for gender parity at the management level with equal wages. A salary audit is conducted each year by an external party. This year's audit did not find a gender pay gap for equal or similar work.

Qliro has a whistleblower function to report acts of discrimination or harassment. The function provides all employees a way to report violations without fear of repercussion. Employees should also feel assured that reports are handled professionally. The whistleblower policy is available on Qliro's intranet and is also included in the mandatory digital Compliance Onboarding Education.

Culture and values – a key 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 create greater cooperation between functions, more innovation and ultimately that our strategy will be realized and that we create better results.

Qliro's values:

- Through collaboration
- Everyday curiosity
- We empower
- My accountability

All employees of the company has been involved in helping to shape Qliro's values, which serve as the inner compass for how we work.

Among the ways we use our values to strengthen the culture are:

- Sharing success stories where the values played a key role.
- All company events we hold are tied in with our values.
- Longer personal reviews with self-assessments tied to our values.
- Living by the values is one of several factors in the wage setting process.

Qliro's business culture :



Leadership

We at Qliro believe that our leaders are the key to creating a culture of success through their leadership and encouragement. Leaders play a key role in improving their function's results, encouraging cooperation within the function and between functions, and helping our employees to grow as professionals.

Among the many ways we work with leadership are:

- A leadership program with three modules led by Qliro's Head of Empowerment within the People function.
- Monthly leadership forum for networking, sharing information, additional leadership training and as a forum for leaders and executive management to dialogue and trade experiences.
- Continuous coaching for leaders, through Qliro's Head of Empowerment.
- A strong People function that supports Qliro's leaders.

The leadership program and forum help to build a network between leaders, which impacts more than just leadership. We are also seeing positive effects on collaboration between functions and increased job rotation between functions.

Employeeeship

Employeeeship 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. Employeeeship is also important because it shows a focus and commitment to everyone at Qliro. We are all important to create a successful culture.

» During the year, the tendency to recommend Qliro as workplace increased.«

Transparent organization

To create ownership, participation and accountability, employees have to be kept informed and understand the business. Only then will they make the right decisions, which builds confidence and is the key to delivering on the other strategic cultural dimensions. As a transparent organization, our focus has been to transition from limited information sharing to a more open approach to sharing information within the company. Among the ways we are building a transparent organization are:

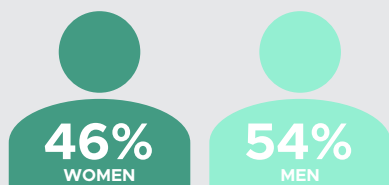
- Company information is shared at monthly employee meetings, through brief updates on Slack or in longer updates on the intranet.
 - Brief updates through Slack when, for example, Qliro is in the news or on job openings, company success stories, personal reflections, knowledge sharing, customer feedback, etc.
- All employees are encouraged to participate and share information as well as actively seek out information. Through the updates we create engagement and 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 design a culture and an organization that support continuous learning and development for our employees. Creating a learning organization depends on the other four focus areas. It is a continuous process and is built up over time. What we have done so far and are doing are:

- Structured customer and merchant feedback to the organisation to continuously improve us and our offering.
- Leadership and employeeeship training, which are good platforms to create opportunities for learning, information sharing and collaboration.
- We have visualized and discussed how we see personal development and career building within Qliro, which largely involve learning and development.

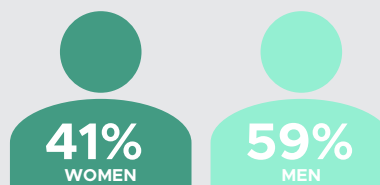
Gender distribution employees



	2021		
	Women	Men	Total
Below 30 year	45	32	77
30–50 year	46	74	120
Above 50 year	5	6	11
Total	96	112	208

	2020		
	Women	Men	Total
Below 30 year	40	25	65
30–50 year	48	74	122
Above 50 year	4	7	11
Total	92	106	198

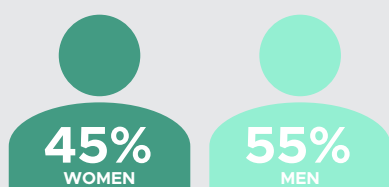
Gender distribution managers



	2021		
	Women	Men	Total
Below 30 year	3	0	3
30–50 year	12	24	36
Above 50 year	2	0	2
Total	17	24	41

	2020		
	Women	Men	Total
Below 30 year	1	1	2
30–50 year	12	22	34
Above 50 year	3	2	5
Total	16	25	41

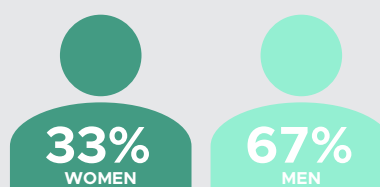
Gender distribution Executive management



	2021		
	Women	Men	Total
Below 30 year	0	0	0
30–50 year	4	6	10
Above 50 year	1	0	1
Total	5	6	11

	2020		
	Women	Men	Total
Below 30 year	0	0	0
30–50 year	4	5	9
Above 50 year	1	0	1
Total	5	5	10

Gender distribution Board of Directors



	2021		
	Women	Men	Total
Below 30 year	0	0	0
30–50 year	0	1	1
Above 50 year	2	3	5
Total	2	4	6

	2020		
	Women	Men	Total
Below 30 year	0	0	0
30–50 year	0	1	1
Above 50 year	2	3	5
Total	2	4	6

- We have clearly communicated and visualized job rotation as a way to inspire our employees to develop and learn within Qliro.
- We offer mindfulness training, through an internal resource, to all employees to support focus, reflection and learning.
- Training and information sharing by departments or specialists for the rest of the company on, for example, Tech Expos or Qliro's financial model.
- All employees are provided a number of digital courses on Qliro, some of which are mandatory and where the results are tracked and reported to the Board of Directors.

Result 2021: Attractive employer

The tendency to recommend Qliro as an employer (e-NPS) increased on average from +16 to +24 (on a scale from -100 to +100). For the comparison group Swedish TECH companies, the e-NPS value averaged +15.

All sub-categories that we measure in our continuous temperature measurements of the organization show stable results. All categories are above average for Qliro's comparison group. No cases of so-called whistle-blowing occurred during the year.

Results of Qliro's employee survey

Scale of 1-10	2021	2020
Leadership	8.4	8.3
Meaningfulness	7.6	7.7
Team cohesion	8.5	8.4
Participation	7.9	7.9
Total	7.7	7.7

During the year, a review was carried out by the Swedish Work Environment Authority where it was confirmed that Qliro's work regarding work environment conducted in a satisfactory manner. In 2021, we have also trained the staff in ergonomics "Guerrilla Ergonomics", and focused on working remotely. We have implemented safety rounds with participants from the Work Environment Committee and carried out a risk assessment prior to returning to the office.

We have trained and coached our leaders (all leaders take our leadership course), coached leader, done so-called 360-degree evaluation with all leaders and followed up with individual coaching & action plans.

Our employees have been offered communication training and Empower yourself courses aimed at educating a little deeper around different parts of our business.

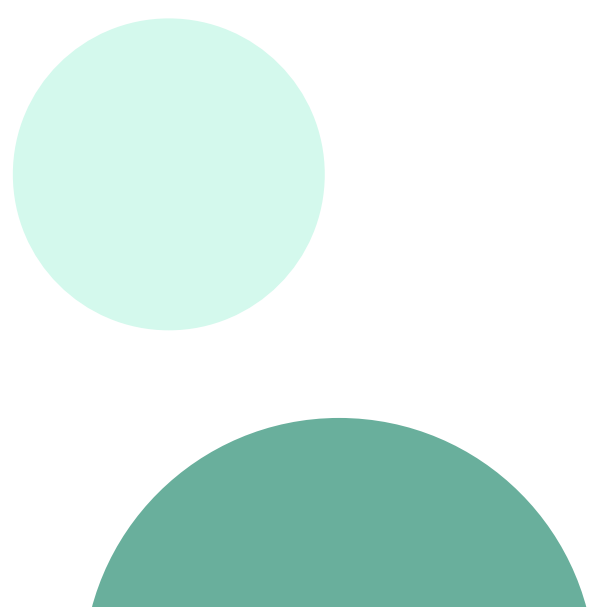
Launched the internal digital program "Good morning Qliro" as a way to create interest and holistic understanding for Qliro's business and to get to know our colleagues better.

Ambition 2022

In 2022, the focus remains on strengthening leadership and employeeship within Qliro.

Some of our focus areas include:

- Focus on commitment, employer branding and recruitment to ensure that the organization has the skills required to deliver on Qliro's long-term strategy.
- Maintain an e-NPS in line that is at least on par with industries
- Increase knowledge of Qliro's strategy and how all employees are connected to it.
- Strengthen cross-functional collaboration
- Leadership and employee development
- Communication training
- Greater focus on employer branding and recruitment with several initiatives planned.



Auditor's opinion regarding the statutory sustainability report

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

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2021 on pages 9-21 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 re-port 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 7th of April 2022

KPMG AB

Mårten Asplund
Authorized Public Accountant

Directors' report

Company overview

Qliro AB 556962-2441 (publ) ("Qliro" or "the company") is a credit market company under the supervision of the Swedish Financial Supervisory Authority. The company has its registered office and main operations in Stockholm. Qliro was separately listed on Nasdaq Stockholm in October 2020. Qliro also in Norway, Finland and Denmark, but all employees and operations are based in Sweden.

Qliro's operations are divided into two business areas: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing, and the latter comprises personal loans and other digital financial services. In the financial reporting they are denoted as segments. Qliro was founded in 2014 and offers payment solutions for e-merchants to help them convert visitors to the e-merchant's website 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 several of the largest e-commerce companies in the Nordics, and nearly five million consumers have used Qliro's products to pay online. 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 with fixed or variable interest rates.

SIGNIFICANT EVENTS DURING THE YEAR

- During the first quarter of 2021, Qliro entered into an agreement regarding payment solutions in the Nordics with e-retailer Stronger.
- During the first quarter, the digital customer applications were updated in Norway and Finland, which means that all Nordic markets have been updated and uniform applications.
- During the second quarter, the popular payment methods VIPPS in Norway and Mobile Pay in Denmark were integrated.
- During the second quarter, the Norwegian e-retailer Blush chose Qliro as a payment solution partner and the collaboration began immediately.
- In the second quarter, Qliro's Annual General Meeting was held and the Board was re-elected.
- During the second quarter, the collaboration with Biltema will begin regarding their Click & Collect services in the Nordics.
- In the third quarter, Qliro decided to stop marketing of private loans via e-mail. During the quarter The Swedish Consumer Agency communicated that the authority in its supervisory work had noticed shortcomings in marketing regarding Qliro's private loans. Qliro cooperates fully with The Swedish Consumer Agency in the case.
- In the fourth quarter, the payment solution offering was developed and broadened towards the SME market in Sweden.

- In the fourth quarter, Qliro deepened its cooperation with the e-commerce platform Wikinggruppen. This as part of the launch of an offering towards SME merchants in Sweden.
- In the fourth quarter, it was announced that Carolina Brandtman will leave her position as CEO. The work recruiting a new CEO began immediately.
- During the fourth quarter, Martina Skande was appointed Deputy CEO and Fredrik Malmqvist was appointed Chief Product and Marketing Officer and new member of the management team. During the quarter Lina Agrell, General Counsel, Mattias Forsberg, CTO and Andreas Frid, Head of Investor Relations decided to end their employment at Qliro.

FINANCIAL DEVELOPMENT

Financial development in brief

- Total operating income increased by 6 percent to SEK 403.5 million (379.7) and total operating income adjusted for items affecting comparability increased by 4 percent to SEK 403.5 million (388.1).
- Net credit losses decreased with 20 per cent to SEK 81.9 million (102.5).
- Operating profit was improved with 40 percent to SEK -48.3 million (-81.1), while operating profit adjusted for items affecting comparability was improved with 27 percent to SEK -41.5 million (-57.1).
- Net profit for the period was SEK -39.9 million (-67.0), while net profit for the period adjusted for items affecting comparability was SEK -34.4 million (-48.1) and earnings per share amounted to SEK -2.22 (-3.73).
- Lending to the public increased by 12 percent to SEK 2,759 million (2,460).
- Pay-after-delivery (PAD) volume increased by 15% to SEK 7,125 million (6,221) and the number of PAD transactions increased with 3 percent to 7.4 million (7.1).
- Deposits from the public amounted to SEK 2,231 million (2,133).
- Own funds amounted to SEK 542 million (599).

Items affecting comparability

During 2021 items affecting comparability was reported that increased costs and lowered operating profit with 6.8 MSEK and net profit with 5.4 MSEK. The costs related to severance pay to the CEO and other staff as well as recruitment costs for a new CEO and Chairman of the Board of Directors.

During 2020, two types of affecting comparability were reported. Items affecting comparability within the segment Payment Solutions amounted to SEK 8.4 million and arose when Qliro brought forward the date for recognition of commissions paid to merchants to coincide with the date for recognition of income from consumers. This affected net interest income negatively by SEK 3.4 million and net commission income negatively by SEK 5.0 million. The effect arises due to a delay in accrual, for more information, see Note 2 on page

50. Additionally, assets worth SEK 15.6 million were impaired, since they are no longer in use in the business. The impairments comprised, among other things, technology development for the loan product, infrastructure for data storage and app solutions. In total, items affecting comparability reduced operating income by SEK 24 million and net income for the period by SEK 18.9 million.

Income grew but with a lower margin

Total operating income increased by 6 percent to SEK 403.5 million (379.7). Total operating income adjusted for items affecting comparability increased by 4 percent to SEK 403.5 million (388.1). Changed regulations which was implemented late 2020 in Denmark and Norway impacted income negatively with approximately 8 MSEK during 2021.

Net interest income increased by 9 percent to SEK 222.9 million (205.0), where interest income amounted to SEK 262.6 million (240.6) and interest expenses amounted to SEK 39.7 million (35.6). Adjusted for items affecting comparability, net interest income increased by 7 percent. The increase in interest income and expenses was a result of growing business volumes and lending in both Payment Solutions and Digital Banking Services.

Net commission income increased by 2 percent to SEK 171.0 million (167.5). Adjusted for items affecting comparability, net commission income decreased with 1 percent. Increased business volumes had a positive impact while changed regulations in Norway and Denmark had a negative effect. Qliro's focus on improving the digital customer applications and the customer experience lowered reminder rates which lowered net commissions but came with other positive effects.

Net gains and losses on financial transactions amounted to

SEK -1.4 million (-0.2) and other income rose to SEK 11.0 million (7.5), with income increasing from other payment methods in Qliro's checkout solution as a consequence of higher volumes.

Increased depreciation is the main reason for increased expenses

Total expenses increased by 3 percent to SEK 369.9 million (358.3). Costs excluding items affecting comparability increased with 6 percent.

Administrative expenses, primarily consisting of employee costs and IT expenses, increased by 8 percent to SEK 241.0 million (222.5). Staff costs increased due to severance pay to the former CEO and as there on average was a small increase in number of employees. Higher system costs for IT-security and cloud based solutions and increased costs to be a listed company was also reasons for higher costs.

Other expenses, largely consisting of variable expenses, amounted to SEK 33.0 million (34.4). Lower costs is a result of more effective credit enquiry costs.

Depreciation, amortization and impairment decreased to SEK 96.0 million (101.4) and mainly consisted of amortization of previously capitalized development expenses related to payment solutions, consumer products, the website and app solutions. Adjusted for the impairment of 15.6 MSEK in 2020 (which is described above), depreciations increased with 12 per cent as a result of shorter depreciation time and somewhat higher investments

Improved credit quality lowered credit losses

Total credit losses decreased to SEK 81.9 million (102.5) and the net loan loss level was 3.1 percent (4.5) of average lending. Underlying credit quality developed positively. The extra pro-

Income statement, balance sheet and key performance measures in brief

SEK million except where otherwise state	2021	2020	% Δ
Income statement			
Total operating income	403.5	379.7	6%
Total operating income adjusted for items affecting comparability ¹⁾	403.5	388.1	4%
Total expenses before credit losses	-369.9	-358.3	3%
of which depreciation	-96.0	-101.4	-5%
Net credit losses	-81.9	-102.5	-20%
Operating profit/loss ¹⁾	-48.3	-81.1	-40%
Operating profit/loss adjusted for items affecting comparability ¹⁾	-41.5	-57.1	-27%
Profit/loss for the period	-39.9	-67.0	-40%
Profit/loss for the period adjusted for items affecting comparability	-34.4	-48.1	-28%
Balance Sheet			
Lending to the public ¹⁾	2,759	2,460	12%
of which Payment solutions	1,699	1,524	11%
of which Digital banking services	1,060	937	13%
Deposits and borrowings from the public	2,231	2,133	5%
Key figure			
Credit loss level, (%) ¹⁾	3.1%	4.5%	-31%
Cost/income ratio, (%) ¹⁾	91.7%	94.4%	-3%
CET 1 capital ratio, % ³⁾	18.2%	22.4%	-19%
Total capital Ratio, % ³⁾	22.4%	26.8%	-16%
Pay-after-delivery volume ²⁾	7,125	6,221	15%

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 and reconciliation tables see pages 80-81.

2) Operating performance measures. For definitions see page 81.

3) Other performance measures. For definitions see page 81.

visions that were done during 2020, due to the deteriorating macroeconomic situation caused by COVID-19, was released during 2021. The release of the provisions had a positive effect on credit losses with 6 MSEK during 2021 with the reversed effect in 2020.

Within the segment Payment Solutions, credit losses in relation to PAD volume decreased to 1.1 percent (1.3). The underlying credit quality developed positively during the year.

Within the segment Digital Banking Services, the net loan loss level in relation to average lending decreased to 0.5 percent (2.7). During the first quarter the provisioning model for private loans was updated. The updated model is based on much more data compared to the old model which was implemented late 2017 when the product was launched. The initial effect from the implementation of the new model was that provisions was lowered with 7.5 MSEK based on the stable credit quality in the portfolio. Even with adjustments made for the effects from the new model, credit losses was lowered for within the segment.

Operating profit improved

Operating profit was improved to SEK –48.3 million (–81.1). Operating profit adjusted for items affecting comparability amounted to SEK –41.5 million (–57.1). The improvement was mainly due to lower credit losses.

Net profit for the period amounted to SEK –39.9 million (–67.0), while net profit for the period adjusted for items affecting comparability amounted to SEK –34.4 million (–48.1).

SEGMENT INFORMATION

PAYMENT SOLUTIONS

Payment Solutions are offered to large and midsized e-merchants in the Nordics and is Qliro's primary segment, accounting for 82 percent of total income in 2021. The solutions contain Qliro's pay-after-delivery (PAD) products for consumers when they buy goods and services online. The offering includes invoices, "Buy Now Pay Later" products (BNPL) and various types of part payments. Qliro's payment solution also contains other payment methods offered through partnerships, such as card payments, direct payments from a bank account, Vipps, Mobilepay or payments through PayPal. Qliro's income is mainly generated through interest and fees associated with PAD products. The average credit is low and the maturity is short. Through its payment solutions, Qliro has since its start interacted with more than 5 million unique customers in the

Nordics, and the number of active customers in the last 12 months is 2.5 million.

Operational development 2021

Qliro offers digital payment solutions to e-merchants in the Nordics. Growth in Payment solutions is driven by offering deferred payment for online purchases (pay-after-delivery, PAD). As new merchants connect to the platform, business volumes rise, gradually driving growth in the loan book and generating 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 it generates significant income.

The number of connected merchants increased to 50 (46) and during the year Qliro's first pure norwegian merchant was integrated.

Historically, Qliro's strategy has been focused on a tailor-made offer for the largest e-retailers in the Nordic region. During the second half of the year, development began to broaden the offer to include a more standardized offer for medium-sized traders. To be able to on-board new merchants more efficiently cooperation agreements have been concluded with the e-commerce platforms Centta and Wikinggruppen.

Financial development 2021

PAD volume increased by 15 percent during the year to SEK 7,125 million (6,221) and the number of transactions rose by 3 percent to 7.4 million (7.1). Sweden is the largest market with 81 percent of the volume. The fastest relative growth was in Norway where volumes increased by 39 percent and Norwegian volumes accounted for 12 percent of Qliro's total PAD volume. The growth of PAD volumes is driven by an increase in previously connected merchants increasing their sales and that more merchants gradually use Qliro as a payment partner. Lending, which consists of interest-bearing lending as installments and non-interest-bearing lending such as invoices or "Buy Now and Pay Later products", increased by 11 percent to SEK 1,699 million.

Total operating income increased by 4 percent to SEK 331 million (319), while total operating income without items affecting comparability increased by 1 percent to SEK 331 million.

Net interest income increased by 4 percent as a result of increased interest-bearing lending. Net commission income increased by 2 percent with increased business volume contributing positively while adjusted regulations regarding fees in Norway and Denmark contributed negatively. Other income,

PAYMENT SOLUTIONS

SEK million except where otherwise stated	2021	2020	% Δ
Net interest income	150.5	144.5	4%
Net commission income	170.6	167.0	2%
Total operating income	330.7	318.8	4%
Net credit losses	76.6	80.3	-5%
Total operating income less credit losses	254.0	238.4	7%
Lending to the public	1,699	1,524	11%
Pay-after-delivery (PAD), volume	7,125	6,221	15%
Pay-after-delivery (PAD), no of transactions, thousands	7,353	7,124	3%
Credit loss level, %, in relation to PAD volume	1.1%	1.3%	-17%

which consists of net gains and losses on financial transactions and other income, increased to SEK 9.6 million (7.3), mainly due to higher income from payment methods offered through partners.

Credit losses amounted to SEK 76.6 million (80.3) in 2021 and decreased although volumes and lending increased. In relation to PAD volume, credit losses amounted to 1.1 percent (1.3). The release of the extra provisions, that were made in 2020 as a result of a worse macroeconomic climate, had a positive impact. The reduction in credit losses contributed to that revenues after credit losses increased by 7 percent.

DIGITAL BANKING SERVICES

Digital Banking Services consist of services offered on Qliro's digital platforms beyond the payment products from Payment Solutions. Income in the segment accounted for 18 percent of total income in 2021. Today Digital Banking Services mainly comprise Qliro's personal loans in Sweden, which were launched at the end of 2017. The large database of payment customers is a competitive advantage that enables Qliro to offer other attractive products, such as personal loans and savings accounts, at a low cost. The products are marketed only in Qliro's own channels, including the app and website to existing customers.

Operational development 2021

Qliro's app makes it easy to manage payments, loans and savings. During the year, the number of active consumers and the number of interactions in the platform to increase. During the fourth quarter more than one million consumers used Qliro's digital functions in the app or via the web,

Qliro's private loans are offered in the digital platforms mainly to customers who used Qliro's payment products in connection with e-commerce. More than 95 percent of the borrowers had an existing one relationship with Qliro and many applied via Qliro's app. It gives low customer acquisition costs and good knowledge of the customers applying for a loan. The credit check is automated and is based on a combination of internal and external data which is analyzed in real time through machine learning.

Lending has grown steadily since the launch of the product 2017 but lending decreased slightly towards the end of the year since the decision was made to stop marketing private loans via e-mail.

Financial development 2021

Lending increased by 13 percent to SEK 1,060 million (937). During the fourth quarter lending decreased with 1 percent in comparison to the third quarter. The increase in lending and improved margins contributed to the increasing operating income by 20 percent to SEK 72.9 million (61.0). The underlying credit quality developed positively and the credit loss level decreased to 0.5 percent (2.7 percent). During the first quarter in 2021, the provision model for private loans was updated. The updated model is based on significantly more data compared with previous model that was implemented in connection with the product was launched at the end of 2017. The effect of the transition to the new model was that the provisions decreased with SEK 7.5 million based on a stable and good credit quality in the portfolio. Also adjusted for the model update credit losses decreased in the segment. No general negatives effects on customers' ability to pay were noted as a result of covid-19.

BALANCE SHEET AND CASH FLOW

Financial position

Qliro has a strong financial position and as of December 31, 2021 own funds amounted to SEK 542 million (599). In addition to Common Equity Tier 1 capital, own funds consist of SEK 100 million in subordinated Tier 2 bonds issued in 2019. .

The risk exposure amount increased to SEK 2,423 million (2,231 as of December 31, 2020), where increased lending and increased the risk exposure amount for credit risk.

Qliro is well-capitalized and the total capital ratio was 22.4 percent (26.8 as of December 31, 2020), compared with the regulatory requirement of 12.0 percent, and the Common Equity Tier 1 capital ratio was 18.2 percent (22.4 as of December 31, 2020), compared with the regulatory requirement of 8.0 percent. This means that Qliro has approximately SEK 250 million in available capital over and above the total capital requirement.

Lending to the public as of December 31, 2021 amounted to SEK 2,759 million (2,460), an increase during the year of 12 percent. In addition to capital from shareholders and bond investors, the business is funded by deposits from the public and through a secured loan facility. The latter enables Qliro to match currencies between the asset and liability sides of the balance sheet. Qliro's strategy is to actively work with a variety of funding sources in order to tap the most appropriate source at any given time and diversify long-term funding.

Deposits from the public as of December 31, 2021 increased

DIGITAL BANKING SERVICES

SEK million except where otherwise stated	2021	2020	% Δ
Net interest income	72.5	60.5	20%
Total operating income	72.9	61.0	20%
Net credit losses	5.3	22.2	-76%
Total operating income less credit losses	67.6	38.8	74%
Lending to the public	1,060	937	13%
Credit loss level, %, of average lending to the public	0.5%	2.7%	-80%

by 5 percent to SEK 2,231 million (2,133). Deposits from the public are a flexible and well-functioning form of funding given Qliro's lending, which largely consists of smaller loans of short duration. Qliro offers two different savings accounts in Sweden, one with a variable interest rate that as of December 31 was 0.8 percent, and one account with a 1-year fixed interest rate that at the end of the period was 1.1 percent. During 2020 funding was diversified through the launch of a deposit offering in EURO for individuals in Germany in partnership with the platform Deposit Solutions. As of December 31, deposits in Germany amounted to SEK 400 million (222). Funding through the credit facility amounted to SEK 452 million (215).

Liquidity remains solid and the Liquidity Coverage Ratio (LCR) was 364percent (448). The legal requirement for LCR is 100 percent. Qliro's liquidity portfolio as of December 31, was SEK 409 million. In addition to liquid investments, Qliro had access to SEK 348 million in back-up liquidity via undrawn funding in a secured committed credit facility. 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 156 days.

Cash flow statement

Cash flow amounted to SEK -97 million (-85).

Qliro's cash flow from operating activities amounted to SEK 1.1 million (-130) million and was positively impacted by increased funding from credit institutions with SEK 237.1 million (77.3) and increased deposits from the public with SEK 99.8 million (311.4) while increased lending to the public had a negative effect of SEK -373.8 million (-487.1).

Qliro's cash flow from investing activities amounted to SEK -90.2 million (-74.5) and consists mostly of acquisitions of intangible assets.

Qliro's cash flow from financing activities amounted to SEK -8.2 million (119.3) as a consequence of amortization of leased assets.

EFFECT OF THE COVID-19 PANDEMIC ON QLIRO

A number of measures were taken during the year to protect employees, customers and suppliers as far as possible – and at the same time enable the business to continue to operate with as little impact as possible from the pandemic. All the decisions have taken into consideration the recommendations of relevant authorities.

Effect on operations

Since the COVID-19 outbreak, Qliro has focused on shifting to remote work, and employees who are able to work from home have been encouraged to do so. In-person meetings have been avoided as far as possible and replaced by virtual meetings. At the office, where mainly the company management, Customer Operations and some internal IT staff have been working, the focus has been on ensuring a safe work environment. Among the measures taken have been to change cleaning routines and how people are physically spaced in the office. It was important during the year to support our leaders and employees in terms of WFH routines, equipment to ensure a good work environment at home and regular communication

on how Qliro is handling the pandemic and adapting to existing recommendations.

From a technological perspective, remote work has worked well and we have not seen a widespread increase in incidents related to COVID-19.

Effect on customers

When the pandemic broke out 2020, Qliro reviewed its lending procedures for all products and, among other things, raised the requirements on income and form of employment, and in certain cases co-signers have been required to reduce the risk of potential credit losses. In general, Qliro has not seen a decline in customers' solvency tied to the pandemic.

Effect on business volumes, capital requirements and earnings

The transition from brick-and-mortar to e-commerce has been accelerated by COVID-19. More consumers have shopped online, including new customer segments. For Qliro's e-commerce partners, the pandemic has affected turnover in various ways, with many merchants being positively impacted while those in fashion and ticket sellers, for example, have been negatively affected. In total, Qliro's business volumes in e-commerce payment solutions have been positively affected.

During the pandemic, it has generally been more difficult to get meetings with decision makers in e-commerce to begin discussions about changing payment partners and fewer procurements has been the result. It is assessed to have had a negative impact on the number new agreements concluded with merchants. In 2020, provisions for credit losses increased as a result of assumptions about a worse future economy according to the accounting standard IFRS 9. These provisions were dissolved during the third quarter of 2021 as the economic situation has improved and Qliro has not experienced any general increase in ability to pay from customers as a result of covid.

The deteriorating macroeconomic outlook in 2020 led to lower capital requirements as the countercyclical buffer requirements were reduced for the Nordic countries. During the third quarter in 2021 SFSA decided to increase the countercyclical buffer to 1 percent (0). The new value will be applicable from 29th September 2022.

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, Qliro's average employee net promoter score (eNPS) increased with approximately 40 per cent. The average number of employees was 208 (198) during the year. Find more information about Qliro as an employer on page 17-20 in Qliro's sustainability report.

REMUNERATION TO SENIOR EXECUTIVES

Current guidelines for remuneration to senior executives

At the Annual General Meeting held on May 19, 2021, a decision was made to adopt the guidelines for remuneration to senior executives in Qliro and Board members, to the extent they

receive remuneration outside the board assignment. The guidelines apply until new guidelines have been adopted by the Annual General Meeting. The guidelines does 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.

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

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

A prerequisite for Qliro to realize its business strategy and safeguard its long-term interests, including its sustainability, is that Qliro 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, digital consumer financing, private loans and savings accounts. These guidelines shall therefore facilitate that senior executives are offered a competitive remuneration. At the same time, Qliro's remuneration system shall be compatible with and promote sound and efficient risk management and counteract excessive risk taking.

Remuneration to senior executives in Qliro shall be based on the individual's performance and responsibility in the short and long term and the financial outcome in Qliro as well as align the interests and rewards of the senior executives with the shareholders.

The board of directors assesses that the possibility of variable remuneration and participation in possible share-related incentive plans resolved by the general meeting together with a well-balanced fixed remuneration will facilitate Qliro being a competitive employer, while the form and terms for the variable remuneration will support responsible and sound risk management as well as the company's growth strategy, long-term interests and sustainability.

Forms of compensation

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

- fixed cash remuneration,
- variable cash remuneration,
- pension, as well as
- 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 shall be competitive and based on the individual's competence, responsibility and performance. The fixed remuneration shall 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 shall be based on how well the determined targets for their respective areas of responsibility and for Qliro have been met. Both financial and non-financial criteria can be considered in the assessment. The outcome shall be linked to measurable targets, which, as far as concerning Qliro, shall be directly or indirectly linked to the achievement of Qliro's targets. The targets within the senior executives' respective responsibilities are to promote Qliro's development in both 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 set based on company-targets, which has been determined internally by the board, for example based on income and expenses and credit loss development. Others in group management has targets divided into three levels; company level, function level and individual level.

The maximum payment of variable cash remuneration may not exceed a maximum of 100 percent of the senior executive's annual fixed salary. Furthermore, such remuneration shall only be paid or transferred to the senior executive if it is reasonable with respect to the company's financial situation, including own funds and motivated in accordance with the result of the company, the business unit concerned and the senior executive. The variable cash remuneration may therefore be reduced or lapse due to such reasons.

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 has been calculated based on information or results that prove to be incorrect and the recipient of the remuneration has been in bad faith.

Long-term share-related incentive programs

Senior executives can be offered to participate in incentive programs, which are mainly to be share or share-price related. An incentive program shall aim to improve participants' commitment to the company's development and is implemented on market terms. A long-term share-related incentive program, Qliro's warrant program 2020/2023, has been implemented in Qliro during 2020. Qliro's warrant program 2020/2023 has been resolved upon by the annual general meeting and is therefore not covered by these guidelines. For further information about Qliro's warrant program 2020/2023, including the requirements on which the outcome depends, please see the company's website.

Pension

The pension commitments are premium-based and are secured by premium payments to insurance companies. The size of the pension premiums follows the company's pension

plan and shall essentially correspond to the provision levels that apply according to the ITP 1 plan and have the limitations as follows in relation to the 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 shall 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 remuneration forms, remuneration shall also in certain exceptional cases and in accordance with the company's guidelines for remuneration to senior executives and remuneration policy, applicable at each time, be paid in connection with new employment 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 corresponding 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 shall not exceed six months, without the right to severance pay. Severance pay can also be paid in the form of a specifically agreed pension.

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

In addition, remuneration for non-compete undertakings may be awarded. Such remuneration shall 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 a value corresponding 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 according to the articles 74(3) and 75(2) in the Directive 2013/36/EU and information according to article 450 in the Regulation (EU) No 575/2013, established a remuneration policy that includes all employees in Qliro and is compatible with and promotes healthy and efficient risk management, and counteracts excessive risk taking. Information about the company's remuneration system is published on the company's website.

Salary and employment conditions for employees

In the preparation of the board of director's 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 decision basis in evaluating the reasonableness of the guidelines and the limitations that follow from them.

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, remuneration forms 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 on 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 fourth year and submit it to the annual general meeting to resolve upon. The guidelines shall be in force until new guidelines are adopted by the general meeting.

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

The members of the Remuneration Committee are independent in relation to Qliro and its management. The CEO or other members of the group management are not present at the board's consideration of and decisions on remuneration-related issues, insofar as they are affected by the issues.

Deviation from the guidelines

The board of directors may temporarily resolve to deviate from the guidelines if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability, in case such deviation do not violate the provisions of 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 tasks to prepare the board's decisions on remuneration issues, which includes decisions on deviations from the guidelines. The reasons for any deviations from the guidelines shall be reported and justified by the board annually in the remuneration report. There has been no deviations from the guidelines during 2021.

SUSTAINABILITY REPORT 2021

Qliro's sustainability work is focused on three main areas: sustainable e-commerce, responsible lending and business, and being an attractive employer. For the financial year 2021, Qliro has prepared its first sustainability report separate from the annual report in accordance with Chapters six and seven of the Swedish Annual Accounts Act. The sustainability report comprises pages 9–21.

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 makes the decisions on Qliro's risk appetite and has established a structure for internal governance and control of risk management. All internal governing documents adopted by the Board are reviewed and updated annually or more often if necessary. 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's overarching risks are monitored and managed effectively and appropriately. The Board has a committee to support the Board's work with risk, capitalization, audit and compliance – the Risk, Capital, Audit and Compliance Committee ("RCACC") – whose tasks include ensuring that risk taking is well-balanced and controlled, monitoring the financial reporting and ensuring that internal control is effective. For more information on the RCACC, see the corporate governance report on pages 36–37.

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.

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.

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 decides each year on annual plans for the risk control function and compliance function.

Third defense – independent Internal 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 observations to the Board, the CEO and the RCACC and presents its reports at the RCACC's meetings. The reports contains among other things a summary of the most important results of the review of the implementation of internal rules, completed controls and review activities, any new risks that have been identified, monitoring of risk exposure and the risk appetite level. The risk control function will also, as needed or 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 Board of Directors 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 monitor 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 with Qliro's other control functions and monitor and document the measures taken by the Board and the CEO with respect to reported shortcomings.

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 observations to the Board of Directors, the CEO and RCACC, and presents its reports at RCACC's meetings. The reports includes 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 down 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 is responsible for among other things 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 contains among other things 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 have a significant impact on Qliro's strategic, operational, reporting and compliance goals is managed correctly and sufficiently. Qliro systematically assesses the risks that the company faces in order to identify, analyze and evaluate current and potential risks, as well as the treatment and reporting of these risks. 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 53–59.

FUTURE OUTLOOK

Qliro offers payment solutions for e-merchants in the Nordics, personal loans and savings accounts in Sweden and Germany. Qliro has gradually expanded its operations, has a stable platform with 2.5 million active consumers and sees continued potential for good growth in coming years. The ambition is that income will grow faster than expenses and that the company will be well-capitalized.

OWNERSHIP STRUCTURE

Qliro's share has been listed on the Nasdaq Stockholm, Small Cap list since October 2020. At year-end, the last price paid for the Qliro share was SEK 23.50.

The 10 largest shareholders registered in their own names as of December 31, 2021

Rite Ventures	25.8%
Mandatum Private Equity	9.8%
Avanza Pension	6.3%
Staffan Persson	4.8%
Nordnet pensionsförsäkring	3.7%
EQ Asset Management	2.5%
Thomas Krishan	2.1%
Sune Mordenfeld	1.7%
Ulf Ragnarsson	1.6%
Nordea Liv & Pension	1.5%
Total	58.8%

DIVIDEND

The Board of Directors proposes that the Annual General Meeting 2022 resolve not to pay a dividend for the financial year 2021.

Proposed appropriation of profits

The following amounts are at the disposal of the shareholders as of December 31, 2021 (SEK):

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

Retained earnings	418,966,735
Share premium reserve	2,529,808
Fair value reserve	-65,890
Loss for the year	-39,609,989
Total	381,820,664

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

To be carried forward	381,820,664
Of which to fair value reserve	-65,890

EVENTS AFTER END OF PERIOD

Jonas Arlebäck was appointed acting CEO from February 1, 2022. Jonas latest employment was at Lowell where he has been CEO of Sweden and CFO of the Nordic region.

Qliro entered into a partnership with the market leading e-commerce platform Centra. Qliro thus becomes one of the few selected integration partners for the Nordic markets. The partnership means that Centra's merchants now have the opportunity to choose Qliro's payment solution through a tailored integration module. The first to integrate with Qliro through Centra was the e-retailer Stronger.

On March 16, Qliro's Nomination Committee proposed Qliro's Annual General Meeting, which is scheduled to be held on May 17, Patrik Enblad as new Chairman of the Board. The Board made a decision on the same day on a directed new issue of 550,000 shares to Patrik Enblad subject to the approval of the Annual General Meeting and is conditional on an approved management review by SFSA. The new share issue entails an increase in the share capital by 1,540,000 SEK. The subscription price shall be SEK 17.59, corresponding the volume-weighted share price of the company's shares on Nasdaq Stockholm during the ten trading days that immediately preceded the issue decision. The issue means that the company is added in total SEK 9.7 million. The purpose of the issue is to create an ownership interest for Qliro's new Chairman of the Board and by that create a common interest between the company's shareholders and Patrik Enblad, which the Board deems to be beneficial the company in the long term. The issuance corresponds to a dilution of the number of shares and votes of 2.97 percent and does not entail any significant costs for the company.

Board of directors

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

CEO

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

First line of defence

Business/Operations

Appointed by: CEO
Reports to: CEO

Own and manage risks

Second line of defence

Risk control

Appointed by: Board
Reports to: Board and CEO

Compliance

Appointed by: CEO
Reports to: Board and CEO

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

Third line of defence

Internal audit

Appointed by: Board
Reports to: Board

Assess and validate the first and second line of defence

FIVE-YEAR OVERVIEW

SEK million except where otherwise stated	2021	2020	2019	2018	2017
Income Statement					
Net interest income ¹⁾	222.9	205.0	170.2	135.7	101.7
Net commission income ¹⁾	171.0	167.5	172.1	157.4	120.6
Other operating income	9.6	7.3	2.9	2.1	0.1
Total operating income	403.5	379.7	345.2	295.2	222.4
Total expenses before credit losses	-369.9	-358.3	-301.8	-254.5	-196.7
Profit/loss before credit losses	33.6	21.4	43.4	40.7	25.7
Net credit losses	-81.9	-102.5	-73.4	-57.3	-27.6
Operating profit/loss	-48.3	-81.1	-30.0	-16.6	-1.9
Appropriations	-	-	-	0.0	2.0
Income tax expense	8.4	14.1	6.2	3.4	-0.1
Profit/loss for the year	-39.9	-67.0	-23.8	-13.2	0.0
Balance Sheet					
Bonds and other fixed-income securities	354.0	290.1	255.0	197.2	65.2
Lending to credit institutions	57.5	155.1	240.2	21.8	70.9
Lending to the public	2,758.9	2,460.3	2,070.4	1,492.9	1,028.4
Tangible and intangible assets	196.6	194.3	219.5	164.0	142.2
Other assets	107.0	95.6	93.4	60.6	46.1
Total assets	3,474.0	3,195.3	2,878.5	1,936.4	1,352.8
Liabilities to credit institutions	452.2	215.0	292.4	457.9	324.6
Deposits and borrowings from the public	2,231.0	2,132.9	1,819.1	967.9	612.4
Other liabilities	142.7	159.4	139.1	97.1	70.4
Subordinated debt	100.0	100.0	100.0	0.0	0.0
Equity	548.1	588.0	528.0	413.5	345.4
Total liabilities and equity	3,474.0	3,195.3	2,878.5	1,936.4	1,352.8
Key figures					
Earnings per share before and after dilution SEK	-2.22	-3.73	-1.32	-0.73	0.00
Operating margin, %	15.5%	16.8%	19.4%	23.4%	25.2%
Cost/income ratio, % ²⁾	91.7%	94.4%	87.4%	86.2%	88.4%
Cost/income ratio excl depreciation, % ²⁾	67.9%	67.7%	69.1%	73.3%	76.0%
Return on equity, % ^{2) 3)}	-7.0%	-12.0%	-5.1%	-3.5%	0.0%
Credit loss level, % ³⁾	3.1%	4.5%	4.1%	4.5%	3.1%
Average number of employees	208	198	199	195	178
Key figures					
	2021-12-31	2020-12-31	2019-12-31	2018-12-31	2017-12-31
Total capital	541.9	598.7	383.9	255.2	215.1
CET 1 capital ratio, %	18.2%	22.4%	15.5%	16.9%	20.5%
Total capital ratio, %	22.4%	26.8%	17.8%	16.9%	20.5%
Liquidity coverage ratio (LCR), %	364.0%	448%	374%	512%	323%
Pay-after-delivery volume, SEK million ³⁾	7,125	6,221	5,325	4,940	3,962
Number of connected merchants ²⁾	50	46	38	33	23

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 and reconciliation tables see pages 80-81.

2) Operating performance measures. For definitions see page 81.

3) Other key performance measures. For definitions see pag 81.

Corporate governance report

This report describes Qliro's principles of corporate governance. Qliro is a Swedish public limited liability 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 the 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 16,339 shareholders at the end of 2021. Shareholdings by the 15 largest shareholders correspond to approximately 66.7 percent of the share capital and votes. Swedish institutions and equity funds own approximately 49.5 percent of the share capital, international investors hold approximately 23.1 percent and Swedish individual investors own approximately 27.4 percent.

The share capital consists of one type of shares, ordinary shares. There are no restrictions on the number of votes each shareholder can cast at the AGM. In preparation for the separate listing, the share capital and number of shares were changed during the year. At year-end, the number of shares was 17,972,973 and the share capital amounted to SEK 50,324,324.40, corresponding to a quota value of SEK 2.80 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.

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 2021 will be held on May 17, 2022.

Nomination Committee

The members of Qliro's Nomination Committee was appointed during October 2021 in accordance with the instruction for the Nomination Committee that was adopted by the annual general meeting in 2021. The Nomination Committee consist of Christoffer Häggblom, Alexander Antas, Thomas Krishan and Lennart Jacobsen. According to the instruction for the Nomination Committee, its tasks include:

- Proposal on the number of Board members and auditors and, where applicable, deputy auditors
- Proposal for election of the Chairman of the Annual General Meeting
- Proposal for election of the Board
- Proposal for election of the Chairman of the Board
- Proposal for remuneration for the Board divided between the Chairman and other members, as well as for committee work
- Proposal for election of auditors and, where applicable, deputy auditors
- Proposal for remuneration to the auditors, and to the extent it is considered necessary, proposals for revisions to the instruction 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 any 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.

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, which issues are dealt with at scheduled Board meetings, the duties of the Chairman and instructions on the division of duties between Qliro's 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 perform 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 an instruction for the CEO, which requires among other things that major investments in fixed assets must be approved by the Board. The Board also approves major transactions, including acquisitions and divestments or business closures. Further, 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 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, but 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 of Qliro consists of six members: Lennart Jacobsen (Chairman), Alexander Antas, Robert Burén, Monica Caneman, Lennart Francke and Helena Nelson.

The Board's composition shall comply with current laws and regulations, as well as the policy on competence and composition (including diversity) of the Board adopted by Qliro's Board. The policy states that the Board shall, as far as possible and without compromising with regard to competence, consist of 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 in relation to the company and the management and independent in relation to the company's major shareholders.

Remuneration Committee

The Remuneration Committee consists of Monica Caneman (Chairman) and Lennart Jacobsen.

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 programs) for the CEO, senior executives and other key persons within Qliro; and (iii) monitor and evaluate the application of the guidelines for remuneration of senior executives that the AGM by law decides on, along with applicable remuneration structures and remuneration levels in the company.

Risk, Capital, Audit and Compliance Committee

The RCACC consists of Lennart Francke (Chairman), Helena Nelson and Monica Caneman.

The RCACC's tasks are set out in the Code. The Committee's responsibility is to: (i) monitor the company's financial reporting

Board of Directors

Name	Position	Born	Citizenship	Elected	Independent of major shareholders	Independent of company and management	Remuneration Committee	RCACC
Lennart Jacobsen	Chairman	1966	Swedish	2017	Yes	Yes	Yes	No
Alexander Antas	Member	1981	Finnish	2020	Yes	Yes	No	No
Robert Burén	Member	1970	Swedish	2018	Yes	Yes	No	No
Monica Caneman	Member	1954	Swedish	2019	Yes	Yes	Yes	Yes
Lennart Francke	Member	1950	Swedish	2016	Yes	Yes	No	Yes
Helena Nelson	Member	1965	Swedish	2015	Yes	Yes	No	Yes

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, along with 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 2021

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, including budget and other financial forecasts, capital structure and financing, investments in fixed assets and continued streamlining of internal procedures and control processes and the handling of the pandemic situation. In November the Board together with the CEO Carolina Brandtman decided that it was time for a new leadership. The recruitment process to recruit a new CEO began immediately. The Board held a total of 14 meetings in 2021, including one statutory meeting.

The Board's self-assessment

The Board establishes an education plan every year. During the year the Board has received training in the following areas: customer protection and transparency from a legal perspective as well as insurance. At the end of the year, a self-evaluation was carried out regarding the Board's competence to identify the need for education during 2022.

External auditors

Qliro's auditor, KPMG AB, was elected at the 2021 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 2022 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 full 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.

Attendance at Board and Committee meetings in 2021

	Board meetings	RCACC	Remuneration Committee
Number of meetings 2021	14	9	3
Lennart Jacobsen	14/14		3/3
Robert Burén	14/14		
Monica Caneman	14/14	9/9	3/3
Lennart Francke	13/14	9/9	
Helena Nelson	13/14	9/9	
Alexander Antas	14/14		

CEO and executive management

The company's executive management consists of 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 and 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 that such systems and structures are effective.

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 and reported.

Control environment

The Board has adopted a series 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 have as a goal 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 will ensure that processes are established to regularly monitor the measures that are 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 consists of 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. 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.

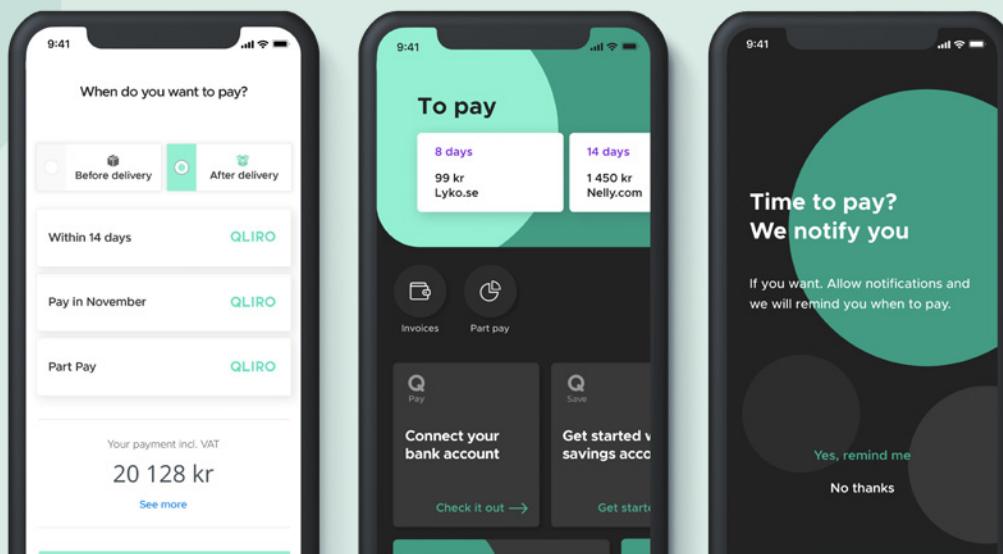
Strategy with focus on payments

During the year, Qliro's growth journey continued with a growing number of merchants, payment volumes and digital interactions with consumers. However, the revenue development and the integration of new merchants have not reached our expectations. At the end of the year, we therefore decided that Qliro needed a new leadership and the recruitment of a new CEO began.

Together with the management, we have decided on an updated strategy that is focused on payments where we broaden our offer to SME traders, increases the number of e-commerce platforms that we collaborate and integrate with and improves our capacity to integrate new merchants faster. We will continue to be a challenger in the payment market and be the best partner for large and medium-sized merchants in the Nordic region.

During my five years on the Board, Qliro has gone from being an intra-group payment solution to having emerged as the the big challenger for payments in Swedish e-commerce for larger e-retailers. During the year more than five million consumers used our payment solutions, half of which used one of Qliro's own payment methods that make it possible to get the product home before it is to be paid.

Lennart Jacobsen, Chairman



Qliro's digital applications has the focus to simplify for consumers to handle their payments. During the fourth quarter in 2021 more than one million consumers where active in the applications.

Board of Directors



Lennart Jacobsen*

Chairman since 2018, member since 2017

Assignments committees: Member of the remuneration committee

Education: Master's degree in Electrical Engineering Telecommunication from the Royal Institute of Technology, Stockholm.

Professional experience: Executive Vice President at Nordea Bank AB (2013-2016), CEO at GE Capital Global Banking Nordic branch (2008-2012), CEO at GE Money Bank Sweden branch (2003-2008) and various positions at GE Capital Bank (1998-2003) and Systemhuset Affärs-system AB/Upec Data AB/Upec Edicom AB (1991-1998).

Other ongoing assignments: CEO, founder and board member of Invesi Investment AB. Chairman of the board of Careium AB, Playground Group AB and AB Svensk Exportkredit (SEK). Board member in Oryx Holding AB and Swedbank Robur AB.

Ownership in Qliro AB as of December 31: 15 000 shares
Independent in relation to the Company and its management, independent in relation to major shareholders.

* Lennart Jacobsen has declined re-election to the board



Alexander Antas

Member since 2020

Assignments committees: –

Education: Master's degree in finance from Hanken School of Economics in Finland.

Professional experience: Alexander Antas is 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 Coronaria Oy, Oddlygood Global and Zoo.se. Board observer at Elematic Oy.

Ownership in Qliro as of December 31: 0 shares
Independent in relation to the company and its management, and independent in relation to major shareholders



Robert Burén

Member since 2018

Assignments committees: –

Education: Studies in Computer Science and Technology at Luleå University of Technology and the Royal Institute of Technology, Stockholm

Professional experience: Co-founder of and Consultant at Cygni AB. Previous experience as interim CTO Blocket.se (Nov 2020- May 2021) and Mediaplanet (2017-2018), CIO Bisnode Group (2016-2017) and SBAB Bank AB (2015). CTO at Kindred (2011-2015).

Other ongoing assignments: Board member of Bredband2 in Skandinavien AB.

Ownership in Qliro AB as of December 31: 3 000 shares

Independent in relation to the Company and its management, independent in relation to major shareholders.



Monica Caneman

Member since 2019

Assignments committees: Chairman remuneration committee and member in RCACC

Education: M.B.A. from Stockholm School of Economics.

Professional experience: Experience as board member of several Swedish and foreign companies, both listed and not listed. Deputy CEO and member of the group management in Skandinaviska Enskilda Banken AB 1995-2001, held various management positions at Skandinaviska Enskilda Banken (1977-2001).

Other ongoing assignments: Chairman Euroclear Sweden AB and Almi Företagspartner AB. Board member in SAS AB. Chairman in Nasdaq Stockholms listing committee. CEO and Chairman Monica Caneman Konsult AB and board member in Hundhjälpen På Lidingö AB. Member of the council in the life insurance company Skandia.

Ownership in Qliro AB as of December 31: 0 shares
Independent in relation to the Company and its management, independent in relation to major shareholders.



Lennart Francke

Member since 2016

Assignments committees: Chairman RCACC

Education: M.B.A. from Stockholm School of Economics and Program for Management Development, Harvard Business School, USA.

Professional experience: 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: Board member of Centrum för Näringslivshistoria Cfn AB, Stiftelsen Af-färsvärlden. Chairman ABRF Group and Youple AB. Appointed by Swedbank Robur in several nomination committees in listed companies.

Ownership in Qliro AB as of December 31: 11 249 shares
Independent in relation to the Company and its management, independent in relation to major shareholders.



Helena Nelson

Member since 2015

Assignments committees:

Member RCACC

Education: Master of Laws from Lund University and Ruter Dam Management Programme, 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 Familjeföretagens Pensionsredovisning i Värmland AB and member of the council in Livförsäkringsbolaget Skandia.

Ownership in Qliro AB as of December 31: 1 000 shares

Independent in relation to the Company and its management, independent in relation to major shareholders.

Executive Management Team



Jonas Arlebäck

interim CEO since 1 February 2022

Born: 1970

In the management team since 2022

Education: M.Sc., Finance & International Business, Gothenburg School of Economics and M.Sc., Industrial Engineering & Management, Chalmers University.

Previous Experience CEO Lowell Sweden and CFO Lowell Nordic (2019-2022), Group CFO and EVP Special Projects Handicare (2012-2018), Management consultant McKinsey and Accenture (1994-2010). Board member Handicare 2018-2021 and Holta Invest AS since 2016.

Ownership in Qliro AB as of 31 December 2021: 0 shares and 0 warrants



Jonas Adolffson

Chief Credit Officer

Born: 1984

In the management team since 2018

Education: Master's degree in Business Administration and Bachelor's degree in Economics, Linköping University

Previous experience: Previous experience from other positions at Qliro (2015-2018), Manager Nordics, Risk and Information Management at American Express (2014-2015) and various positions at Klarna AB (2009-2013).

Ownership in Qliro AB as of 31 December: 0 shares and 7,000 warrants



Fredrik Malmqvist

Chief Product and Marketing Officer

Born: 1985

In the management team since 2021

Education: Master of Science in Design and Product Development from the Royal Institute of Technology in Stockholm.

Previous Experience: Head of Product & Marketing (2020-2021), Head of Consumer Product (2019-2020) och Business Development Manager (2018-2019) at Qliro. Head of Business Transformation (2018), Business Transformation Manager (2017-2018), Nordic Commercial Lead (2015-2017) at Santander Consumer Bank and Management consultant at Accenture (2011-2015).

Ownership in Qliro AB as of 31 December: 1 000 shares and 35,035 warrants



Ann Ekroth

Chief Risk Officer

Born: 1969

In the management team since 2019

Education: Previous experience: Compliance Director at Santander Consumer Bank Sweden (2017-2019), Non-Financial Risk & Governance Director Nordic and Acting Chief Risk Officer Nordic at Santander Consumer Bank AS (2015-2017 and 2014-2015), various positions within inter alia finance and risk at GE Money Bank (1996-2014) and auditor at Arthur Andersen AB (1993-1996).

Ownership in Qliro AB as of 31 December: 0 shares and 10,000 warrants



Mattias Forsberg

Chief Technology Officer

Born: 1973

In the management team since 2019

Education: Studies in computer science at Linköping University and Vrije University, Amsterdam and industrial doctoral student, Human-computer interaction at the Royal Institute of Technology in Stockholm.

Previous experience: Head of Strategy & Software Engineering, Head of Strategy Office and Head of Center of Excellence for Agile at SEB (2014-2019), Manager Systems Development at Com Hem (2008-2014) and partner and consultant at Alcesys (2000-2008)

Ownership in Qliro AB as of 31 December: 368 shares and 49,500 warrants



Robert Stambro

Chief Financial Officer

Born: 1975

In the management team since 2019

Education: Master's degree in International Business from 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.

Ownership in Qliro AB as of 31 December: 3 500 shares and 84,084 warrants



Martina Skande

Chief Business Development Officer

Born: 1975

In the management team since 2018

Education: Master's degree in Finance from Lund University

Previous experience: Business Transformation Director (2017-2018) and Nordic Commercial Director (2016-2017) at Santander Consumer Bank Sweden, Director of Financial Services at EY Advisory Services Sweden (2011-2016), Product Development Manager (2008-2009) and Client Relationship Manager (2007-2009) at Genworth Financial Mortgage Insurance and various positions at GE Money Bank/GE Capital Europe (2000-2006).

Ownership in Qliro AB as of 31 December: 390 shares and 70,070 warrants



Johanna Blom

Chief People Officer

Born: 1978

In the management team since 2019

Education: Master's degree in Work and Organizational Psychology from Linköping University and studies at University of Auckland, New Zealand.

Previous experience: Interim HR Manager at Nordax Bank AB (2017-2018), Interim HR Manager at GE Capital AB (2015-2017), HR Director at Santander Consumer Bank AB (2014-2015), HR Manager at Nordic, GE Capital Real Estate (2008-2014), HR advisor at Linklaters (2004-2008) and HR assistant at Fonus HQ (2003-2004).

Ownership in Qliro AB as of 31 December: 2,000 shares and 70,070 warrants



Johnny Sällberg

Chief Commercial Officer

Born: 1985

In the management team since 2020

Education: Courses in e-commerce and English

Previous experience: Chief Commercial Officer, Managing Director and Head of Sales Urb-it (2018-2020), Advisory Board Member IHM Business School (2019-) and Director Commercial Training & Development and Director Bid Management at Klarna (2015-2017) and other various management roles at Klarna (2012-2015)

Ownership in Qliro AB as of 31 December: 1 785 shares and 70,070 warrants

Financial reports

INCOME STATEMENT OF THE GROUP

Amounts in SEK million	Note	2021	2020
Interest income		262.6	240.6
Interest expenses		-39.7	-35.6
Net interest income	5	222.9	205.0
Commission income	6	174.7	171.4
Commission expenses	7	-3.7	-4.0
Net profit/loss from financial transactions	8	-1.4	-0.2
Other operating income		11.0	7.5
Total operating income		403.5	379.7
General administrative expenses	9, 10, 11	-241.0	-222.5
Depreciation/amortization of tangible and intangible assets	12	-96.0	-101.4
Other operating expenses	13	-33.0	-34.4
Total expenses before credit losses		-369.9	-358.3
Profit/loss before credit losses		33.6	21.4
Net credit losses	14	-81.9	-102.5
Operating profit/loss		-48.3	-81.1
Income tax expense	15	8.4	14.1
Profit/loss for the year		-39.9	-67.0
Earnings per share before and after dilution. SEK	36	-2.22	-3.73

STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Amounts in SEK million	2021	2020
Profit/loss for the year	-39.9	-67.0
Other comprehensive income		
Items that can later be reclassified to profit or loss		
Changes in value of financial assets recognized at fair value through other comprehensive income	-0.0	-0.0
Translation differences from foreign operations	-	-1.1
Translation differences from foreign operations reclassified to the income statement	-	0.6
Other comprehensive income for the year	-0.0	-0.5
Comprehensive income for the year	-39.9	-67.5

BALANCE SHEET OF THE GROUP

Amounts in SEK million	Note	2021	2020
Assets			
Lending to credit institutions	16	57.5	155.1
Lending to the public	17	2,758.9	2,460.3
Bonds and other fixed-income securities	18	354.0	290.1
Intangible assets	20	169.1	162.8
Tangible assets	21	27.5	31.5
Deferred tax assets		37.2	28.8
Other assets	22	47.2	47.0
Prepaid expenses and accrued income	23	22.6	19.8
Total assets		3,474.0	3,195.3
Liabilities and Equity			
Liabilities			
Liabilities to credit institutions	24	452.2	215.0
Deposits and borrowings from the public	25	2 231.0	2,132.9
Other liabilities	26	74.1	95.0
Derivative	27	1.2	1.8
Accrued expenses and deferred income	28	67.5	62.6
Subordinated debt	29	100.0	100.0
Total liabilities		2,925.9	2,607.3
Equity			
Share capital	30	50.3	50.3
Reserves		-0.1	-0.0
Retained profit or loss		537.7	604.7
Profit/loss for the year		-39.9	-67.0
Total equity		548.1	588.0
Total liabilities and Equity		3,474.0	3,195.3

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

Amounts in SEK million	Share capital	Share premium reserve	Fair value reserve	Retained earnings including profit for the year	Total equity
Opening balance 2020-01-01	50.1	-	0.5	477.4	528.0
Profit after tax reported in the income statement	-	-	-	-67.0	-67.0
Other comprehensive income for the year	-	-	-0.5	-	-0.5
Total comprehensive income for the year	-	-	-0.5	-67.0	-67.5
Transactions reported directly in equity					
Issuance of warrant	-	2.5	-	-	2.5
Bond issue	0.3	-	-	-0.3	-
Shareholders' contributions	-	-	-	125.0	125.0
Total transactions reported directly in equity	0.3	2.5	-	124.7	127.5
Closing balance 2020-12-31	50.3	2.5	-0.0	535.1	588.0
Opening balance 2021-01-01	50.3	2.5	-0.0	535.1	588.0
Profit after tax reported in the income statement	-	-	-	-39.9	-39.9
Other comprehensive income for the year	-	-	-0.0	-	-0.0
Total comprehensive income for the year	-	-	-0.0	-39.9	-39.9
Total transactions reported directly in equity	-	-	-	-	-
Closing balance 2021-12-31	50.3	2.5	-0.1	495.3	548.1

CASH FLOW STATEMENT OF THE GROUP

Amounts in SEK million	2021	2020
Operating activities		
Operating profit/loss	-48.3	-81.1
<i>Adjustments</i>		
- Depreciation/amortization	96.0	101.4
- Credit losses	81.9	102.5
- Commission income	-174.7	-171.4
- Interest income	-262.6	-240.6
- Interest expenses	39.7	35.6
- Unrealised exchange differences	-0.5	-0.1
Tax paid	0.0	0.0
Commission received	152.1	181.1
Interest received	254.8	233.1
Interest paid	-41.2	-33.0
Increase/decrease in securities	-64.0	-35.0
Increase/decrease in lending to the public	-373.8	-487.1
Increase/decrease in other claims/liabilities	4.8	30.6
Increase/decrease in deposits and borrowings from the public	99.8	311.4
Increase/decrease in liabilities to credit institutions	237.1	-77.3
Cash flow from operating activities	1.1	-130.0
Investing activities		
Purchase of tangible assets	-7.5	-6.8
Purchase of intangible assets	-82.8	-67.7
Cash flow from investing activities	-90.2	-74.5
Financing activities		
Shareholders' contributions received	-	125.0
Amortization lease	-8.2	-8.2
Issuance of warrants	-	2.5
Cash flow from financing activities	-8.2	119.3
Cash flow for the year	-97.3	-85.2
Increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	155.1	240.2
Exchange differences in cash and cash equivalents	-0.3	0.1
Cash flow for the period	-97.3	-85.2
Cash and cash equivalents at end of the year	57.5	155.1

SELECTED INCOME STATEMENT DATA FROM THE PARENT COMPANY

Amounts in SEK million	Note	2021	2020
Interest income		262.6	240.6
Interest expenses		-39.5	-35.3
Net interest income	5	223.1	205.3
Commission income	6	174.7	171.4
Commission expenses	7	-3.7	-4.0
Net profit/loss from financial transactions	8	-1.4	-0.2
Other operating income		11.0	7.5
Total operating income		403.7	380.0
General administrative expenses	9, 10, 11	-249.2	-230.7
Depreciation/amortization of tangible and intangible assets	12	-87.7	-93.1
Other operating expenses	13	-33.0	-34.4
Total expenses before credit losses		-369.8	-358.2
Profit/loss before credit losses		33.9	21.8
Net credit losses	14	-81.9	-102.5
Operating profit/loss		-48.0	-80.7
Income tax expense	15	8.4	14.1
Profit/loss for the year		-39.6	-66.6
Earnings per share before and after dilution	36	-2.20	-3.71

STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY

Amounts in SEK million	2021	2020
Profit/loss for the year	-39.6	-66.6
Other comprehensive income		
Items that can later be reclassified to profit or loss		
Changes in value of financial assets recognized at fair value through other comprehensive income	-0.0	-0.0
Translation differences from foreign operations	-	-1.1
Translation differences from foreign operations reclassified to the income statement	-	0.6
Other comprehensive income for the year	-0.0	-0.5
Comprehensive income for the year	-39.6	-67.2

BALANCE SHEET OF PARENT COMPANY

Amounts in SEK million	Note	2021	2020
Assets			
Lending to credit institutions	16	54.9	152.5
Lending to the public	17	2 758.9	2,460.3
Bonds and other fixed-income securities	18	354.0	290.1
Shares and units	19	0.1	0.1
Intangible assets	20	169.1	162.8
Tangible assets	21	13.3	17.0
Deferred tax assets		37.2	28.8
Other assets	22	49.8	49.5
Prepaid expenses and accrued income	23	22.6	19.8
Total assets		3,459.7	3,180.8
Liabilities and Equity			
Liabilities			
Liabilities to credit institutions	24	452.2	215.0
Deposits and borrowings from the public	25	2,231.0	2,132.9
Other liabilities	26	59.3	80.2
Derivatives	27	1.2	1.8
Accrued expenses and deferred income	28	67.5	62.6
Subordinated debt	29	100.0	100.0
Total liabilities		2,911.1	2,592.5
Equity			
	30		
Restricted equity			
Share capital		50.3	50.3
Reserve for development costs		116.5	118.5
Total restricted equity		166.9	168.8
Non-restricted equity			
Reserves		-0.1	-0.0
Share premium reserve		2.5	2.5
Retained profit or loss		419.0	483.7
Profit/loss for the year		-39.6	-66.6
Total non-restricted equity		381.8	419.6
Total equity		548.7	588.3
Total liabilities and Equity		3,459.7	3,180.8

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

Amounts in SEK million	Restricted equity		Non-restricted equity				Total equity
	Share capital	Reserves for development cost	Share premium reserve	Fair value reserve	Retained profit	Profit/loss for the year	
Opening balance 2020-01-01	50.1	124.2	-	0.5	377.0	-23.8	528.0
Reallocation of last year's profit	-	-	-	-	-23.8	23.8	0.0
Profit after tax reported in the income statement	-	-	-	-	-	-66.6	-66.6
Other comprehensive income for the year	-	-	-	-0.5	-	-	-0.5
Total comprehensive income for the year	-	-	-	-0.5	-23.8	-42.8	-67.2
Transactions reported directly in equity							
Transfer of internally generated capitalised development costs	-	-5.7	-	-	5.7	-	-
Issuance of warrant	-	-	2.5	-	-	-	2.5
Bond issue	0.3	-	-	-	-0.3	0.0	0.0
Shareholders' contributions	-	-	-	-	125.0	-	125.0
Total transactions reported directly in equity	0.3	-5.7	2.5	-	130.4	-	127.5
Closing balance 2020-12-31	50.3	118.5	2.5	-0.0	483.7	-66.6	588.3
Opening balance 2021-01-01	50.3	118.5	2.5	-0.0	483.7	-66.6	588.3
Reallocation of last year's profit	-	-	-	-	-66.6	66.6	0.0
Profit after tax reported in the income statement	-	-	-	-	-	-39.6	-39.6
Other comprehensive income for the year	-	-	-	-0.0	-	-	-0.0
Total comprehensive income for the year	-	-	-	-0.0	-66.6	27.0	-39.6
Transactions reported directly in equity							
Transfer of internally generated capitalised development costs	-	-1.9	-	-	1.9	-	-
Total transactions reported directly in equity	-	-1.9	-	-	1.9	-	-
Closing balance 2021-12-31	50.3	116.5	2.5	-0.1	419.0	-39.6	548.7

CASH FLOW STATEMENT OF THE PARENT COMPANY

Amounts in SEK million	2021	2020
Operating activities		
Operating profit/loss	-48.0	-80.7
Adjustments		
- Depreciation/amortization	87.7	93.1
- Credit losses	81.9	102.5
- Commission income	-174.7	-171.4
- Interest income	-262.6	-240.6
- Interest expenses	39.5	35.3
- Unrealised exchange differences	-0.5	-0.1
Tax paid	0.0	0.0
Commission received	152.1	181.1
Interest received	254.8	233.1
Interest paid	-41.2	-33.0
Increase/decrease in securities	-64.0	-35.0
Increase/decrease in lending to the public	-373.8	-487.1
Increase/decrease in other claims/liabilities	4.8	28.0
Increase/decrease in deposits and borrowings from the public	99.8	311.4
Increase/decrease in liabilities to credit institutions	237.1	-77.3
Cash flow from operating activities	-7.1	-140.8
Investing activities		
Purchase of tangible assets	-7.5	-6.8
Purchase of intangible assets	-82.8	-67.7
Cash flow from investing activities	-90.2	-74.5
Financing activities		
Shareholders' contributions received	-	125.0
Emission av teckningsoptioner	-	2.5
Cash flow from financing activities	-	127.5
Cash flow for the year	-97.3	-87.8
Increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the year	152.5	240.2
Exchange differences in cash and cash equivalents	-0.3	0.1
Cash flow for the year	-97.3	-87.8
Cash and cash equivalents at end of the year	54.9	152.5

NOTES

Note 1. Company information

Qliro AB (publ), reg. no. 556962-2441, has a licence from the SFSA to be a credit market company. The parent company's shares are since October 2nd 2020 listed on Nasdaq Stockholm with the ticker "QLIRO". 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 cooperation with Deposit Solutions GmbH.

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

As of 31 December 2019, Qliro acquired a subsidiary, QFS Incitement AB and thereby established a group (refer to note 19).

This historical financial information was approved by the board of directors and CEO for issue and publication on 7 April 2022. The consolidated statement of financial position and other comprehensive income and the statement of financial position, as well as the parent company's income statement and balance sheet, are subject to adoption by the Annual General Meeting on May 17, 2022.

Note 2. Accounting policies

Compliance with standards and laws

The financial statement for the group has been prepared in accordance with international financial reporting standards (IFRS) and interpretations of these standards have been adopted by the EU. In addition, the supplements and what follows from Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), as well as the SFSA's regulations and general advice on annual accounts for credit institutions and securities companies (FFFS 2008:25) are applied. The consolidated accounts also apply the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Regulations for Groups, as well as interpretive statements.

The financial information of the parent company 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 from the Swedish Financial Reporting Board. In accordance with the SFSA's general advice the parent company applies the so called non-statutory IFRS, meaning that the international financial reporting standards which have been adopted by the EU, are applied when preparing the financial reports. The accounting principles stated below, have been applied consequently on 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.

Revised accounting policies as of 2020

Revised accounting

In order to more accurately account for commissions paid to merchants (interest and commissions), Qliro's model for accrual has been modified.

In brief, this means that commissions are tied to recognized income in the income statement and recognized in the same period. The change negatively affected profit by SEK 8.4 million and was recognized in its entirety in the second quarter 2020 – net interest income was negatively affected by SEK 3.4 million and net commission income negatively by SEK 5.0 million. As there is no historical data to calculate previous periods, reporting could not be modified in their case.

Changed accounting policies with future application

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

Future regulatory changes

For the coming accounts there are no new regulatory changes adopted.

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 below. Transactions in foreign currency are translated to SEK at the exchange rates applied on the transaction date. Monetary assets and liabilities in foreign currencies are translated to SEK at the exchange rates applicable at the balance sheet date. Non-monetary assets and liabilities in foreign currencies are translated to SEK at the exchange rate on the transaction date.

Fair value changes in securities in foreign currency, which are classified to fair value through comprehensive income, are divided between translation differences due to changes in the amortized cost of the security and other changes in 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 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. Exchange differences arising on the translation of balance sheet items in foreign currency at the closing day rate are recognized through profit or loss under Net profit/loss from financial transactions.

Interests and commissions

Interest income and interest expenses

The income is recognized using 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 flows at the reported 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 which is calculated using the effective interest method consist of interest from payment solution products and personal loans which are recognized as lending the public.

Commission income and commission expenses

Commission income is recognized as income in the period in which it is earned and comprises primarily lending commission related to payment solutions products and other payment services. Under commission expenses, costs for services received are recognized insofar as they are not considered interest.

Origination fees are considered to be 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 realised and unrealised changes in value arising through financial transactions, such as exchange rate fluctuations.

General administrative expenses

General administrative expenses include staff costs, including 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 has only 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 obligations to pay additional contributions if this legal entity has insufficient assets with which to make all pension payments to employees that are 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 staff costs when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

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

Group contributions

All Group contributions paid and received between Qliro and its subsidiary, Parent Company or sister companies are recognised through profit or loss under appropriations.

Taxes

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in the country where Qliro operates and generates taxable income, meaning Sweden. Management regularly evaluates 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 recognised directly through profit or loss.

Deferred tax assets are recognised insofar as it is probable that tax surpluses will be available in the future against which temporary differences can be utilised. The 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 recognised separately. These have thus been recognised in a gross amount in the balance sheet. Appropriations are recognised in a gross amount in profit or loss.

Financial assets

Under IFRS 9, financial assets are to be divided into the following categories: amortized cost, fair value through comprehensive income and fair value through profit or loss.

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 if the contractual cash flows of the instruments are solely payments of -principal and interest.

Qliro has three types of financial assets

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are debt instruments that are held for the objective of realising the instruments' cash flows by collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. 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 through other comprehensive income

Debt instruments are recognised in the category of financial assets measured at fair value through other comprehensive income when the objective is to realise cash flows by both collecting contractual cash flows and by selling the instrument. A requirement for a financial asset to be recognised in this category is that the contractual cash flows are solely payments of principal amount outstanding and interest on the principal amount outstanding.

Unrealised gains and losses are recognised 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 through the income statement

Financial assets and liabilities valued at fair value via the income statement is valued at fair value excluding transaction costs.

The company values derivatives at fair value via the income statement as these do not meet the requirements to be reported at amortized cost or fair value via other comprehensive income. As hedge accounting is not applied, changes in fair value is reported under net income from financial transactions.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade 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 through profit or loss. Financial assets measured at fair value through profit or loss are initially measured at fair value, while the related transaction costs are recognised through profit or loss.

Financial assets are derecognised from the balance sheet when the rights to collect cash flows from the instrument have expired or been transferred and Qliro has transferred substantially 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 derecognised from the balance sheet. If Qliro assesses that it has not relinquished control, the company will continue to recognise 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 respect of the category financial assets measured at fair value through profit or loss are

recognised as revenue in the period when they are realised and are included in the item Net profit/loss from financial transactions in profit or loss. Unrealised gains and losses are recognised in other comprehensive income.

Impairment of financial assets

Loss provisions are established for lending to the public and on all items in the balance sheet measured at amortized cost. Loss provisions are also recognised for fixed-income securities measured at fair value through other comprehensive income and off-balance exposures, granted loan commitments (e.g. unutilised bank overdraft facilities) and issued financial guarantees. A derecognition reduces the recognised gross amount of the financial asset. Derecognition takes place when the amount of the loss is finally established and is recognised under credit losses, and represents the amount before utilising 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 instruments remaining maturity represent losses from all default events which are possible during the financial instruments remaining maturity. The 12-month expected credit losses represent the portion of expected credit losses for the full lifetime of the financial instrument that are caused by loss events within 12 months after 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 assesses separately whether credit risk has significantly increased 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 have unpaid amounts that are more than 30 days past due.

Credit-impaired loans

Similar to previous policies, loss provisions are recognised 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 have 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 lifetime of the financial assets for stage 2 and stage 3 exposures. PD corresponds to the

probability that an exposure will fall at a given point in time over a 12-month horizon for exposures in step 1 or during the financial asset's expected remaining maturity of exposures in step 2 and step 3. 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, volatility on the stock market 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 derecognised 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 recognised through profit or loss. When a loan is modified and derecognised 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 recognised gross value of the asset, to obtain the recognised net value.

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

Financial liabilities

Qliro classified its financial assets in the following categories: financial assets measured at fair value through profit or loss, loans receivable and accounts receivable, and available-for-sale financial assets. The classification depends on the purpose for which the financial asset was acquired.

Derivatives

All derivatives are recognized in the balance sheet and measured at fair value. Derivatives with positive fair values are recognized on the asset side under the item other assets. Derivatives with negative fair values are recognized on the liability side under the item 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 agreement consists primarily of leasing premises, but also leasing of IT equipment, where applicable.

Reporting in the group

An asset for a right of use and a lease liability is reported at the start date of the lease. The lease liability is initially valued at the present value of remaining leasing fees during the assessed 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 expense is calculated as the value of the debt times the discount rate. For leasing contracts that have a leasing period of 12 months or less or with an underlying asset of low value, less than SEK 50 thousand, no rights of use and leasing debt are reported. 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 rights of use and leasing debt. Leasing fees are instead reported as costs 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 recognised at cost less accumulated amortization and impairment.

Intangible assets are recognised when the following criteria have been fulfilled:

- there is an identifiable asset.
- the company has control of the asset and it is probable that the economic benefits that are attributable to the asset will flow to the company.
- the cost of the asset can be measured reliably, and there is adequate, technical, economic and other resources available to complete the development and to utilise 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 as they arise.

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

Tangible assets

Tangible assets are recognised 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. Tangible assets are recognised at cost less accumulated depreciation and any impairment. Depreciation takes place straight line 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 that have 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 recognised at the amount by which the carrying amount of the asset exceeds its 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 down 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. The recognised cash flow includes only transactions involving inflows and outflows of cash. Cash and cash equivalents are attributable to the item Lending to credit institutions.

Critical accounting estimates and assessments

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

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 defence. The first line of defence comprises the business activities that own and manage the risk in the daily operations. The second line of defence consists of the independent control functions that are responsible for monitoring and evaluating risk management. The internal audit function is responsible for the third line of defence 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 organisation. The risk is monitored, controlled and reported regularly to the CEO and board. Good credit risk management can optimise the profitability of lending activities. Qliro has no collateral on the loans.

Purchases financed by Qliro come from all parts of Sweden, Denmark, Finland and Norway. The credit risk of the loans is divided between countries and sectors. Refer to tables below for industrial concentration and geographic concentration.

Geographic distribution of exposures

The Group

Amounts in SEK million	2021-12-31					2020-12-31				
	Sweden	Denmark	Finland	Norway	Total	Sweden	Denmark	Finland	Norway	Total
Public sector	354.5	–	–	–	354.5	290.7	–	–	–	290.7
Financial institutions	58.6	–	0.1	–	58.7	155.1	–	–	–	155.1
Non-financial corporates	28.1	0.1	0.5	0.6	29.3	30.0	0.3	0.2	1.3	31.8
Retail	2,427.4	37.0	100.9	185.8	2,751.1	2,175.9	37.0	95.8	127.6	2,436.3
Defaulted exposures	116.5	6.2	7.9	22.3	152.9	152.3	3.9	8.4	19.2	183.7
Total	2,985.0	43.3	109.4	208.8	3,346.4	2,804.0	41.2	104.4	148.1	3,097.7

Credit quality of exposures by geographic area

The Group

Amounts in SEK million	Recognised gross amount for			
	Defaulted exposures	Exposures not in default	Loss provision	Net amount
2021-12-31				
Sweden	116.5	2,868.5	–78.8	2,906.2
Denmark	6.2	37.1	–6.3	36.9
Finland	7.9	101.5	–8.9	100.4
Norway	22.3	186.4	–18.0	190.7
Total	152.9	3,193.5	–112.1	3,234.3

Amounts in SEK million	Recognised gross amount for			
	Defaulted exposures	Exposures not in default	Loss provision	Net amount
2020-12-31				
Sweden	152.3	2,651.7	–100.1	2,703.9
Denmark	3.9	37.3	–5.2	36.0
Finland	8.4	96.0	–8.9	95.4
Norway	19.2	128.9	–16.2	131.9
Total	183.7	2,913.9	–130.5	2,967.2

Note 3. Financial risk management, cont.**The Group**

Loans receivable by category of borrower Amounts in SEK million	2021-12-31	2020-12-31
Loans receivable, net	2,758.9	2,460.3
Of which, retail sector	2,754.9	2,453.9
Of which, public sector	0.2	0.1
Of which, corporate sector	3.8	6.2
Total	2,758.9	2,460.3
Maturity analysis of receivables	2021-12-31	2020-12-31
Loans receivable, gross	2,871.0	2,590.8
Not past due	2,152.2	1,916.2
1-30 days	432.0	374.6
31-90 days	143.1	127.9
>90 days	143.7	172.1
Total	2,871.0	2,590.8

The Group

Less credit loss - provisions	2021-12-31	2020-12-31
Not past due	-20.6	-31.3
1-30 days	-11.7	-12.1
31-90 days	-18.2	-20.5
>90 days	-61.5	-66.6
Total	-112.1	-130.5
Carrying amount	2021-12-31	2020-12-31
Not past due	2,131.6	1,884.9
1-30 days	420.3	362.4
31-90 days	124.9	107.4
>90 days	82.2	105.5
Total	2,758.9	2,460.3

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 possibly a bankruptcy estate. Qliro believes that this risk is considered to be limited based on the low probability that a credit loss event will occur in combination with a significant exposure to the merchant. In some of the agreements between Qliro and merchants it is stipulated that

commission are 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 only making investments with counterparties with a minimum credit rating of AA. Refer to note 17 for more information.

Credit risk exposure, gross and net**The Group**

	Credit risk exposure (before impairment)	Loss provision	Carrying amount	Amount of collateral	Credit risk exposure including collateral
2021-12-31					
Lending to credit institutions	57.5	-	57.5	-	57.5
Lending to the public	2,871.0	-112.1	2,758.9	-	2,758.9
Other	63.9	-	63.9	-	63.9
of which credit institutions	-	-	-	-	-
Total	2,992.4	-112.1	2,880.3	-	2,880.3
Of which credit-impaired on the reporting date	152.9	-61.5	91.4	-	152.9
Bonds and other fixed-income securities¹⁾					
Government securities and other public bodies					
- AAA	255.2	-	255.2	-	255.2
- AA	98.8	-	98.8	-	98.8
Total	354.0	-	354.0	-	354.0
Of which credit-impaired on the reporting date	-	-	-	-	-
Total credit risk exposure	3,346.4	-112.1	3,234.3	-	3,234.3
Of which credit-impaired on the reporting date	152.9	-61.5	91.4	-	152.9

1) According to Standard & Poor

Note 3. Financial risk management, cont.

Credit risk exposure gross and net

The Group

2020-12-31	Credit risk exposure (before impairment)	Loss provision	Carrying amount	Amount of collateral	Credit risk exposure including collateral
Lending to credit institutions	155.1	–	155.1	–	155.1
Lending to the public	2,590.8	–130.5	2,460.3	–	2,460.3
Other	61.8	–	61.8	–	61.8
of which credit institutions	–	–	–	–	–
Total	2,807.6	–130.5	2,677.1	–	2,677.1
Of which credit-impaired on the reporting date	183.7	–66.6	117.2	–	183.7
Bonds and other fixed-income securities¹⁾					
Government securities and other public bodies					
– AAA	50.0	–	50.0	–	50.0
– AA	240.0	–	240.0	–	240.0
Total	290.1	–	290.1	–	290.1
Of which credit-impaired on the reporting date	–	–	–	–	–
Total credit risk exposure	3,097.7	–130.5	2,967.2	–	2,967.2
Of which credit-impaired on the reporting date	183.7	–66.6	117.2	–	183.7

1) According to Standard & Poor

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

The Group

2021-12-31	Stage 1	Stage 2	Stage 3 (not purchased or issued creditimpaired)	Stage 3 (purchased or issued creditimpaired)	Total
Lending to credit institutions					
Normal risk	57.5	–	–	–	57.5
Total carrying amount	57.5	–	–	–	57.5
Lending to the public					
Not past due	1,981.6	170.7	–	–	2,152.2
1–30 days	297.2	134.9	–	–	432.0
31–90 days	–	143.1	–	–	143.1
>90 days	–	–	143.7	–	143.7
Loss provision	–16.0	–34.6	–61.5	–	–112.1
Total carrying amount	2,262.7	414.0	82.2	–	2,758.9
Bonds and other fixed-income securities					
AAA–AA	354.0	–	–	–	354.0
Total carrying amount	354.0	–	–	–	354.0
Other assets	43.4	11.3	9.2	–	63.9
Total carrying amount	43.4	11.3	9.2	–	63.9
Total gross carrying amount of financial assets measured at amortized cost or fair value through other comprehensive income	2,733.6	459.9	152.9	–	3,346.4
Total loss provision	–16.0	–34.6	–61.5	–	–112.1
Total carrying amount	2,717.6	425.3	91.4	–	3,234.3

Note 3. Financial risk management, cont.**Credit risk exposure specified by credit rating of financial assets, guarantees and loan commitments****The Group**

2020-12-31	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	155.1	-	-	-	155.1
Total carrying amount	155.1	-	-	-	155.1
Lending to the public					
Not past due	1,694.9	221.4	-	-	1,916.2
1-30 days	246.0	128.6	-	-	374.6
31-90 days	-	127.9	-	-	127.9
>90 days	-	-	172.1	-	172.1
Loss provision	-18.5	-45.4	-66.6	-	-130.5
Total carrying amount	1 922.4	432.4	105.5	-	2 460.3
Bonds and other fixed-income securities					
AAA-AA	290.1	-	-	-	290.1
Total carrying amount	290.1	-	-	-	290.1
Other assets	38.5	11.6	11.6	-	61.8
Total carrying amount	38.5	11.6	11.6	-	61.8
Total gross carrying amount of financial assets measured at amortized cost or fair value through other comprehensive income	2,424.5	489.4	183.7	-	3,097.7
Total loss provision	-18.5	-45.4	-66.6	-	-130.5
Total carrying amount	2,406.0	444.0	117.2	-	2,967.2

Note 3. Financial risk management, cont.

Credit quality of exposures by exposure class and instrument

The Group

Amounts in SEK million	Recognised gross amount for			Net amount
	Defaulted exposures	Exposures not in default	Loss provision	
2021-12-31				
Public sector	–	354.5	–0.0	354.5
Financial institutions	–	58.7	–	58.7
Non-financial corporates	–	29.3	0.1	29.2
Retail	–	2,751.1	–50.5	2,700.6
Defaulted exposures	152.9	–	–61.5	91.4
Total	152.9	3,193.5	–112.1	3,234.3

Amounts in SEK million	Recognised gross amount for			Net amount
	Defaulted exposures	Exposures not in default	Loss provision	
2020-12-31				
Public sector	–	290.7	–0.0	290.7
Financial institutions	–	155.1	–	155.1
Non-financial corporates	–	31.8	–0.1	31.7
Retail	–	2,436.3	–63.8	2,372.5
Defaulted exposures	183.7	–	–66.6	117.2
Total	183.7	2,913.9	–130.5	2,967.2

Operational risk

Operational risk is the risk of losses resulting from an ineffective organisation, 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 a control environment to minimise these risks based on established standards. As part of this, Qliro documents the operation's significant processes and analyses its risks and control structure. To minimise the effects of disruptions to and outages in its processes, Qliro follows a structured business continuity process. Qliro performs 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 spread 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 rate margins and other price changes regarding lending) and incorrect and failed business decisions as well as 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, economically beneficial and easy to use. To manage the risk, Qliro ensures that the company is aware of its strategic position to be well prepared for changes in market conditions and by applying highly developed decision making processes.

Interest rate risk

Interest rate risk refers to the risk that 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 is not matched. Qliro minimises interest rate risk by matching the interest rate horizon on 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 investment portfolio have an average interest term of less than three months. The interest term of Qliro's credit facilities is one month and 62 percentage of deposits from the public have variable interest rates and 38 percentage have fixed interest rates with an average maturity of 153 days (originally six month or one-year fixed interest). Customers with deposits at fixed rates have the option of withdrawing the deposits before maturity but 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 there with six standard scenarios. One of these scenarios is risk appetite which is found 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 share of own funds and may amount to a maximum of 4 percentage. For relevant interest rates, the interest rate risk amounted to 0.2 percentage of Qliro's own funds as of 31 December 2021, corresponding to SEK 1.1 million.

In addition to the six scenarios that affect equity, Qliro also performs a sensitivity analysis of the net interest risk. It is measured as an impact on the net interest over the coming twelve-month period at an increase of interest rate of 200 basis points and represents SEK 3.2 million, given the interest-bearing assets and liabilities that existed on the balance sheet date.

Currency risk

Qliro's reporting currency is the Swedish krona (SEK). Since a portion of Qliro's sales are outside Sweden, the company incurs currency risk for transactions 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 risks 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 percentage of Qliro's own funds. Currency risk is primarily hedged by matching the balance sheet's assets and liabilities in foreign currency. Qliros has also the option of hedging currency risks 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

The Group

	2021-12-31					2020-12-31				
	SEK	EUR	NOK	DKK	Total	SEK	EUR	NOK	DKK	Total
Assets										
Lending to credit institutions	50.3	6.5	0.6	0.0	57.5	141.3	13.1	0.6	0.0	155.1
Lending to the public	2,437.4	98.7	187.2	35.6	2,758.9	2,203.5	94.2	128.7	34.0	2,460.3
Bonds and other fixed income securities	343.6	10.4	–	–	354.0	290.1	–	–	–	290.1
Other assets	34.6	1.7	5.0	1.3	42.7	34.5	1.6	5.0	1.9	43.0
Total assets	2,865.9	117.3	192.8	37.0	3,213.1	2,669.4	108.8	134.2	35.9	2,948.4
Liabilities										
Liabilities to credit institutions	208.0	22.8	184.9	36.5	452.2	55.5	0.8	124.0	34.8	215.0
Deposits and borrowings from the public	1,831.0	400.0	–	–	2,231.0	1,910.7	222.2	–	–	2,132.9
Derivatives	1.2	–	–	–	1.2	–	–	–	–	–
Subordinated debt	100.0	–	–	–	100.0	100.0	–	–	–	100.0
Other liabilities and equity	119.0	1.4	8.0	0.4	128.8	133.8	5.3	8.0	0.9	148.0
Total liabilities	2,259.3	424.2	192.9	36.9	2,913.2	2,200.0	228.3	132.0	35.7	2,596.0
Currency swap	–	–308.0	–	–	–	–	–122.2	–	–	–
Effect of 10% change in foreign currency	–	–30.7	–0.0	0.0	–	–	0.3	0.2	0.0	–

Liquidity risk

Liquidity risk is defined as the risk that Qliro is not able to meet its payment obligations without significant increase of the cost to receive means of payment. Qliro's strategy is based on a well-balanced composition of assets and liabilities and allocation of maturities and currencies to keep liquidity risk at a low level. Qliro ensures that sufficient cash and cash equivalents are always available from a regulation and business perspective as well as the possibility to expand available financing, when necessary. Both Qliros Recovery plan and ERM-policy states 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 liquidity in the event of stressed market conditions (LCR). As of 31 December 2021, liquid investments amounted to SEK 354 million in the form of Swedish municipal bonds and municipal commercial papers which belong to the highest level (L1A) of assets qualified as high-quality liquid assets (HQLA). The average rating of the liquid investments was average AA+ with an average maturity of 156 days. In addition to the investments above, as of 31 December 2021, Qliro AB had SEK 54.9 million placed in Nordic banks and SEK 348 million in additional liquidity through undrawn financing in a secured contracted credit facility. As of 31 December 2021, Qliro AB had a liquidity coverage ratio of 364 percent. Qliro AB's liquidity coverage ratio measures that liquidity reserve of SEK

254 million related to net outflows of SEK 69.8 million over a 30-day period during stressed market conditions. A statutory limit of 100 percent applies to the liquidity coverage ratio. In addition to the liquidity coverage ratio, Qliro also has internal metrics that regulate liquidity risk. Survival horizon, which measures the number of days Qliro is able to handle the contractual outflows in a stressed scenario, should amount to at least 90 days while Cash ratio, which measures liquid investments in relation to total loan stock, shall amount to at least 10 percent.

Funding source

The net lending to the public of Qliro AB amounted to SEK 2,759 million (2,460) at the end of the year. The lending was funded with SEK 452 million (215) through a secured loan facility and with SEK 2,231 million (2,133) through deposits and borrowings from the public (saving accounts) in Sweden and Germany, whereof 99,7 percent are covered by the Swedish Deposit Guarantee Scheme. The deposits and borrowings from the public, had 62 percent variable interest and 38 percent had fixed interest with an average maturity of 153 days (originally 6 month fixed interest and one-year fixed interest) as of 31 December 2021. Corresponding 18 percent of deposits and borrowings from the public in Qliro AB are held as liquid fixed-income securities and as deposits in Nordic banks.

Not 3. Financial risk management, cont.

Maturity analysis of financial assets and liabilities (contractual due dates not discounted cash flows)

The Group

	Payable on demand	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
2021-12-31					
Financial assets					
Bonds and other fixed-income securities	-	145.0	209.0	-	354.0
Lending to credit institutions	57.5	-	-	-	57.5
Lending to the public	-	295.6	374.5	2,088.8	2,758.9
Other assets	-	42.7	-	-	42.7
Total	57.5	483.3	583.5	2 088.8	3 213.1
Financial liabilities					
Liabilities to credit institutions	-	-	-	452.2	452.2
Deposits and borrowings from the public	1,238.5	385.2	607.3	-	2,231.0
Derivatives	-	1.2	-	-	1.2
Leasing liabilities	-	2.0	8.1	4.7	14.9
Subordinated debt	-	-	-	100.0	100.0
Total	1,238.5	388.3	615.4	556.9	2,799.2
Undrawn credit facility	-	347.8	-	-	347.8
2020-12-31					
Financial assets					
Bonds and other fixed-income securities	-	191.4	98.6	-	290.1
Lending to credit institutions	155.1	-	-	-	155.1
Lending to the public	-	247.1	326.0	1,887.2	2,460.3
Other assets	-	43.0	-	-	43.0
Total	155.1	481.5	424.6	1,887.2	2,948.4
Financial liabilities					
Liabilities to credit institutions	-	-	-	215.0	215.0
Deposits and borrowings from the public	1,030.2	337.1	765.6	-	2,132.9
Derivatives	-	1.8	-	-	1.8
Leasing liabilities	-	2.0	8.1	4.7	14.9
Subordinated debt	-	-	-	100.0	100.0
Total	1,030.2	341.0	773.7	319.8	2,464.6
Undrawn credit facility	-	585.0	-	-	585.0

Capital, capital adequacy and recovery plan

Qliro is to always be well-capitalised. The Board has established capital targets aimed at meeting regulatory minimum requirements, buffer requirements and managing risk exposures 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 22.4 percentage compared with the supervisory authority's capital requirement of 10.6 percentage. 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

Distribution of revenue

The Group

Amounts in SEK million	2021			2020		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	174.3	88.3	262.6	166.2	74.4	240.6
Interest expenses	-23.9	-15.8	-39.7	-21.7	-13.9	-35.6
Net commission income	170.6	0.4	171.0	167.0	0.4	167.5
Net profit/loss from financial transactions	-1.4	-	-1.4	-0.2	-	-0.2
Other operating income	11.0	-	11.0	7.5	-	7.5
Total operating income	330.7	72.9	403.5	318.8	61.0	379.7
Net credit losses	-76.6	-5.3	-81.9	-80.3	-22.2	-102.5
Total operating income less credit losses	254.0	67.6	321.6	238.4	38.8	277.2

Parent company

Amounts in SEK million	2021			2020		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	174.3	88.3	262.6	166.2	74.4	240.6
Interest expenses	-23.8	-15.7	-39.5	-21.5	-13.9	-35.3
Net commission income	170.6	0.4	171.0	167.0	0.4	167.5
Net profit/loss from financial transactions	-1.4	-	-1.4	-0.2	-	-0.2
Other operating income	11.0	-	11.0	7.5	-	7.5
Total operating income	330.8	72.9	403.7	319.0	61.0	380.0
Net credit losses	-76.6	-5.3	-81.9	-80.3	-22.2	-102.5
Total operating income less credit losses	254.1	67.6	321.8	238.7	38.8	277.5

The CEO of Qliro AB is the company's chief operating-decision maker. Company management has determined the segments based on the information addressed by the CEO and for the purposes of allocating resources and assessing results. The CEO assesses the results for Payment Solutions and Digital Banking Services. The CEO evaluates the development of the seg-

ments based on operating income less net credit losses. Segment reporting is based on the same -principles as the external accounting.

The operations are monitored in the two segments of Payment Solutions and Digital Banking Services. The former refers to payment solutions and sales finance and the latter now refers to personal loans.

The Group

Amounts in SEK million	2021				2020			
	Sweden	Finland	Other Nordic countries	Total	Sweden	Finland	Other Nordic countries	Total
Net interest income	192.1	11.6	19.3	222.9	171.9	13.2	19.8	205.0
Net commission income	144.9	6.1	19.9	171.0	133.2	7.4	26.8	167.5
Net profit/loss from financial transactions	-1.7	-0.1	0.3	-1.4	0.1	-0.2	-0.2	-0.2
Other operating income	11.0	0.0	0.0	11.0	7.5	0.0	0.0	7.5
Total	346.4	17.6	39.6	403.5	312.8	20.5	46.5	379.7

Parent company

Amounts in SEK million	2021				2020			
	Sweden	Finland	Other Nordic countries	Total	Sweden	Finland	Other Nordic countries	Total
Net interest income	192.2	11.6	19.3	223.1	172.2	13.2	19.8	205.3
Net commission income	144.9	6.1	19.9	171.0	133.2	7.4	26.8	167.5
Net profit/loss from financial transactions	-1.7	-0.1	0.3	-1.4	0.1	-0.2	-0.2	-0.2
Other operating income	11.0	0.0	0.0	11.0	7.5	0.0	0.0	7.5
Total	346.5	17.6	39.6	403.7	313.0	20.5	46.5	380.0

The geographic distribution has mainly been made based on where the operations are conducted. Other Nordic countries comprises Denmark and Norway.

Note 5. Net interest income

The Group		
Amounts in SEK million	2021	2020
Interest income		
Lending to credit institutions ¹⁾	0.0	0.0
Lending to the public ¹⁾	262.4	240.4
Interest-bearing securities ²⁾	0.2	0.2
Total	262.6	240.6
Interest expenses		
Liabilities to credit institutions ³⁾	-12.0	-10.5
Deposits and borrowings from the public ³⁾	-20.1	-17.8
Interest-bearing securities ⁴⁾	-0.5	-0.1
Subordinated debt ³⁾	-6.8	-6.9
Lease liabilities ³⁾	-0.2	-0.2
Other interest expenses ³⁾	-0.1	-
Total	-39.7	-35.6
Net interest income	222.9	205.0
1) Interest income from financial items measured at amortized cost	262.4	240.4
2) Interest income for financial items measured at fair value	0.2	0.2
3) Interest expense from financial items measured at amortized cost	-39.2	-35.5
4) Interest cost for financial items measured at fair value.	-0.5	-0.1
Parent company		
Amounts in SEK million	2021	2020
Interest income		
Lending to credit institutions ¹⁾	0.0	0.0
Lending to the public ¹⁾	262.4	240.4
Interest-bearing securities ²⁾	0.2	0.2
Total	262.6	240.6
Interest expenses		
Liabilities to credit institutions ³⁾	-12.0	-10.5
Deposits and borrowings from the public ³⁾	-20.1	-17.8
Interest-bearing securities ⁴⁾	-0.5	-0.1
Subordinated debt ³⁾	-6.8	-6.9
Other interest expenses ³⁾	-0.1	-
Total	-39.5	-35.3
Net interest income	223.1	205.3
1) Interest income from financial items measured at amortized cost	262.4	240.4
2) Interest income for financial items measured at fair value	0.2	0.2
3) Interest expense from financial items measured at amortized cost	-39.0	-35.2
4) Interest cost for financial items measured at fair value.	-0.5	-0.1

Note 6. Commission income

The Group / Parent company		
Amounts in SEK million	2021	2020
Lending commissions	145.7	143.7
Other commission income	29.0	27.7
Total	174.7	171.4
Commission income per geographic market and segment		
Amounts in SEK million	2021	2020
Payment Solutions		
Lending commissions		
Sweden	119.2	109.9
Finland	6.6	7.2
Denmark	2.7	6.0
Norway	16.8	20.2
Total	145.3	143.3
Other commission income		
Sweden	27.4	26.5
Finland	0.4	0.5
Denmark	0.0	0.1
Norge	1.2	0.7
Total	29.0	27.7
Total commission income Payment Solutions	174.3	171.0
Digital Banking Services		
Lending commissions		
Sweden	0.4	0.4
Total lending commissions Digital Banking	0.4	0.4
Total commission income	174.7	171.4

Note 7. Commission expenses

The Group / Parent company		
Amounts in SEK million	2021	2020
Other commission expenses	-3.7	-4.0
Total	-3.7	-4.0

Note 8. Net profit/loss from financial transactions

The Group / Parent company		
Amounts in SEK million	2021	2020
Net profit/loss on fixed-income securities	-0.2	0.0
Realised/unrealised exchange rate fluctuations	-1.2	-0.2
Total	-1.4	-0.2
Net profit/loss per measurement category		
Financial assets measured at fair value through other comprehensive income	-0.2	0.0
Financial assets /liabilities measured at amortised cost	-1.2	-0.2
Total	-1.4	-0.2

Note 9. General administrative expenses**The Group**

Amounts in SEK million	2021	2020
Staff costs, employees		
Salaries, bonuses and other remunerations	-121.0	-119.4
Capitalised payroll expenses	37.8	39.0
Pension costs	-14.4	-14.4
Social security costs	-39.5	-39.5
Other staff costs	-3.7	-2.5
Total	-140.8	-136.8
Staff costs, board of directors and CEO		
Salaries, bonuses and other remunerations	-9.8	-5.5
Pension costs ¹⁾	-1.4	-0.8
Social security costs	-3.3	-1.9
Other staff costs	-0.1	-0.2
Total	-14.6	-8.4
Total staff costs	-155.4	-145.2
Other administrative expenses		
Costs of premises	-7.7	-9.1
IT expenses	-35.3	-28.7
Postage costs	-13.4	-13.2
Consultant fees	-15.3	-13.9
Transaction costs	-5.6	-4.4
Legal costs	-2.3	-1.5
Other general administrative expenses	-6.0	-6.5
Total	-85.5	-77.3
Total general administrative expenses	-241.0	-222.5

1) All pension costs are costs for premiums.

Employee benefits

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 the principles that are to be followed and addresses the decision-making processes, and the structure function and control of the remuneration system. Other senior executives have a period of notice in accordance with applicable agreements and are not entitled to receive severance pay.

Variable remuneration

Qliro pays a small number and has relatively low variable remuneration. This combined with the criteria for triggering payment of variable remuneration, has been deemed to discourage individuals from taking unsound risks in the operations. Disclosures on remuneration to be provided in accordance with the SFSA's regulations are presented on Qliro's website: www.qliro.com.

Parent company

Amounts in SEK million	2021	2020
Staff costs, employees		
Salaries, bonuses and other remunerations	-121.0	-119.4
Capitalised payroll expenses	37.8	39.0
Pension costs	-14.4	-14.4
Social security costs	-39.5	-39.5
Other staff costs	-3.7	-2.5
Total	-140.8	-136.8
Staff costs, board of directors and CEO		
Salaries, bonuses and other remunerations	-9.8	-5.5
Pension costs ¹⁾	-1.4	-0.8
Social security costs	-3.3	-1.9
Other staff costs	-0.1	-0.2
Total	-14.6	-8.4
Total staff costs	-155.4	-145.2
Other administrative expenses		
Costs of premises	-15.9	-17.3
IT expenses	-35.3	-28.7
Postage costs	-13.4	-13.2
Consultant fees	-15.3	-13.9
Transaction costs	-5.6	-4.4
Legal costs	-2.3	-1.5
Other general administrative expenses	-6.0	-6.5
Total	-93.7	-85.5
Total general administrative expenses	-249.2	-230.7

Pension commitments

The company only has defined contribution plans, which means that the company's commitments are limited to the contributions that the company has undertaken to pay to an insurance company. The expenses for defined contribution plans are recognised in profit or loss as the benefits are earned, which usually coincides with the time when pension premiums are paid.

Note 9. General administrative expenses cont.

Remuneration of senior executives

Amounts in SEK thousand	Basic salary /fees	Paid out variable remuneration	Other benefits	Pension costs	Total
2020					
Lennart Jacobsen, Chairman of the Board	625	-	-	-	625
Lennart Francke, Board member	463	-	-	-	463
Helena Nelson, Board member	413	-	-	-	413
Robert Burén, Board member	300	-	-	-	300
Monica Caneman, Board member	425	-	-	-	425
Alexander Antas, Board member	332	-	-	-	332
Carolina Brandtman, CEO ⁴⁾	6,672	593	5	1,389	8,659
Other senior executives (10 people)	14,959	469	18	3,762	19,207
Total	24,188	1,062	23	5,151	30,423

Amounts in SEK thousand	Basic salary /fees	Paid out variable remuneration	Other benefits	Pension costs	Total
2020					
Lennart Jacobsen, Chairman of the Board	512	-	-	-	512
Marcus Lindqvist, Board member ¹⁾	-	-	-	-	-
Lennart Francke, Board member	444	-	-	-	444
Helena Nelson, Board member	394	-	-	-	394
Andreas Bernström, Board member ²⁾	244	-	-	-	244
Robert Burén, Board member	161	-	-	-	161
Monica Caneman, Board member	418	-	-	-	418
Alexander Antas, Board member ³⁾	32	-	-	-	32
Carolina Brandtman, CEO	3,105	175	5	799	4,084
Other senior executives (11 people)	14,847	445	19	3,346	18,656
Total	20,157	620	24	4,145	24,945

1) Marcus Lindqvist resigned as Board member 5th of May 2020.

2) Andreas Bernström resigned as Board member on 18th of September 2020.

3) Alexander Antas was elected as a Board member at an extraordinary general meeting on 23rd of November 2020.

4) Of CEO's total remuneration SEK 3,136 thousand constitutes a reserve for salaries and severance pay paid under 2022 and an extra pension contribution of SEK 395 thousand.

Note 10. Auditors' fees

The Group / Parent company

Amounts in SEK million	2021	2020
KPMG		
Audit engagements ¹⁾	-1.6	-1.5
Auditing activities in addition to audit engagement	-0.3	-0.4
Tax consulting	-0.2	-
Total	-2.2	-1.9

1) Audit engagements refer to statutory audits 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

The Group / Parent company

	2021	2020
Average number of employees	208	198
Of whom women	96	92
Of whom men	112	106

Specification of senior executives on balance sheet date	2021-12-31	2020-12-31
Women		
Board members	2	2
Other members of executive management incl. CEO	5	5
Men		
Board members	4	4
Other members of executive management incl. CEO	6	5
Total	17	16

Note 12. Depreciation/amortization of tangible and intangible assets

The Group

Amounts in SEK million	2021	2020
Amortization of intangible assets	-76.5	-67.9
Depreciation of tangible assets	-19.5	-17.9
Write-downs of intangible assets	-	-15.6
Total	-96.0	-101.4

Parent company

Amounts in SEK million	2021	2020
Amortization of intangible assets	-76.5	-67.9
Depreciation of tangible assets	-11.2	-9.6
Write-downs of intangible assets	-	-15.6
Total	-87.7	-93.1

Note 13. Other operating expenses

The Group / Parent company

Amounts in SEK million	2021	2020
Marketing	-3.6	-3.3
Credit check costs	-15.2	-15.1
Other operating expenses	-14.2	-16.1
Total	-33.0	-34.4

Note 14. Net credit losses

The Group / Parent company

Amounts in SEK million	2021	2020
Expected credit losses on items in the balance sheet		
Net loss provision for the period, Stage 1	2.6	-6.2
Net loss provision for the period, Stage 2	11.2	-12.0
Total net credit losses non-creditimpaired lending	13.8	-18.2
Net loss provision for the period, Stage 3	6.0	-12.9
Net confirmed credit losses for the period	-101.7	-71.4
Total net credit losses credit-impaired lending	-95.7	-84.3
Net credit losses	-81.9	-102.5
Loss provision on loans measured at amortised cost	-112.1	-130.5

Contractual amounts that are written off and are still subject to compliance measures amounted to SEK 22.3 million (17.5) at year-end.

Note 15. Taxes

Parent company

Amounts in SEK million	2021	2020
Current income tax expense	8.4	15.7
Adjustment of tax attributable to prior years	-	-0.5
Adjustment of tax attributable to changed corporate tax	-	-1.1
Total recognised tax expense	8.4	14.1

Tax of SEK 8.4 million (14.1) is recognised 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:

Amounts in SEK million	2021	2020
Profit/loss before tax	-48.0	-80.7
Deferred tax income in capitalised taxable value of loss carry-forwards for the year	9.9	17.3
Tax effect of non-deductible expenses	-1.5	-1.6
Current income tax expense	8.4	15.7

Amounts in SEK million	2021	2020
Current income tax expense	8.4	15.7
Tax items recognised directly against equity		
Deferred tax attributable to previous years	23.9	9.2
Deferred tax attributable to changed accounting policies ¹⁾	4.8	5.0
Adjustment of deferred tax attributable to changed corporate tax ²⁾	-	-1.1
Tax attributable to other comprehensive income		
Deferred tax attributable to change in financial assets measured at fair value	0.0	0.0
Total deferred tax	37.2	28.8

1) Effect of transition to IFRS 9, adjustment in capitalised tax loss carry-forwards.

2) Effect of changed corporate tax to 20.6% 2021.

Note 16. Lending to credit institutions

The Group

Amounts in SEK million	2021-12-31	2020-12-31
Lending to credit institutions	57.5	155.1
Of which, SEK	50.3	141.3
Of which, foreign currency	7.2	13.7
Total	57.5	155.1

Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Lending to credit institutions	54.9	152.5
Of which, SEK	47.7	138.8
Of which, foreign currency	7.2	13.7
Total	54.9	152.5

Note 17. Lending to the public

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Loans receivable	2,871.0	2,590.8
Provisions for expected credit losses	-112.1	-130.5
Total	2 758.9	2,460.3

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

Financial assets

Amounts in SEK million	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Assets measured at amortised cost				
Opening balance, 1 January 2021	1,940.9	477.8	172.1	2 590.8
New lending for the period	1,398.6	155.4	49.5	1603.5
Change in existing loans	12.8	6.9	-3.9	15.7
Decrease in lending for the period	-1,014.6	-181.2	-143.2	-1,339.0
Transfers:				
Transfer from stage 1 to stage 2	-142.0	142.0	-	-
Transfer from stage 1 to stage 3	-35.7	-	35.7	-
Transfer from stage 2 to stage 1	118.0	-118.0	-	-
Transfer from stage 2 to stage 3	-	-35.4	35.4	-
Transfer from stage 3 to stage 1	0.8	-	-0.8	-
Transfer from stage 3 to stage 2	-	1.1	-1.1	-
Closing balance, 31 December 2021	2,278.7	448.6	143.7	2,871.0
Opening balance, 1 January 2020	1,545.5	470.9	155.2	2,171.6
New lending for the period ¹⁾	1,260.8	165.1	50.6	1,476.4
Change in existing loans ¹⁾	36.9	10.2	-7.0	40.1
Decrease in lending for the period ¹⁾	-822.0	-157.8	-117.5	-1,097.3
Transfers:				
Transfer from stage 1 to stage 2	-151.2	151.2	-	-
Transfer from stage 1 to stage 3	-34.7	-	34.7	-
Transfer from stage 2 to stage 1	105.0	-105.0	-	-
Transfer from stage 2 to stage 3	-	-58.1	58.1	-
Transfer from stage 3 to stage 1	0.6	-	-0.6	-
Transfer from stage 3 to stage 2	-	1.4	-1.4	-
Closing balance, 31 December 2020	1,940.9	477.8	172.1	2,590.8

Note 17. Lending to the public cont.**Lending subject to impairment testing specified by stage (IFRS 9)****Change in loss allowance – Lending (IFRS 9)**

Amounts in SEK million	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Assets measured at amortised cost				
Opening balance, 1 January 2021	18.5	45.4	66.6	130.5
New loss allowance for the period	9.3	15.3	22.2	46.8
Changes in loss allowance in existing loans	16.7	-0.3	-1.5	15.0
Decrease in loss allowance for the period	-8.2	-21.9	-50.1	-80.1
Transfers:				
Transfer from stage 1 to stage 2	-9.7	9.7	-	-
Transfer from stage 1 to stage 3	-12.3	-	12.3	-
Transfer from stage 2 to stage 1	1.5	-1.5	-	-
Transfer from stage 2 to stage 3	-	-12.2	12.2	-
Transfer from stage 3 to stage 1	0.0	0.0	0.0	-
Transfer from stage 3 to stage 2	-	0.2	-0.2	-
Closing balance, 31 December 2021	16.0	34.6	61.5	112.1
Opening balance, 1 January 2020	12.4	34.0	54.8	101.2
New loss allowance for the period	11.1	19.0	19.2	49.3
Changes in loss allowance in existing loans ¹⁾	23.9	12.4	3.3	39.5
Decrease in loss allowance for the period ¹⁾	-5.4	-13.7	-40.5	-59.5
Transfers:				
Transfer from stage 1 to stage 2	-13.6	13.6	-	-
Transfer from stage 1 to stage 3	-11.3	-	11.3	-
Transfer from stage 2 to stage 1	1.5	-1.5	-	-
Transfer from stage 2 to stage 3	-	-18.6	18.6	-
Transfer from stage 3 to stage 1	0.0	0.0	0.0	-
Transfer from stage 3 to stage 2	-	0.2	-0.2	-
Closing balance, 31 December 2020	18.5	45.4	66.6	130.5

Note 18. Bonds and other fixed-income securities

Measurement category, financial assets measured to fair value through other comprehensive income.

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Issued by public bodies	354.0	290.1
Total	354.0	290.1
Of which, sek	343.6	290.1
Of which, euro	10.4	-

Bonds and other fixed-income securities comprise the financial instruments in Qliro's liquidity portfolio that are not eligible for refinancing with Sweden's Riksbank.

The fair value of the investments as of 2021-12-31 amounted to SEK 354.0 million (290.1), refer to note 31 for more information.

The carrying amount of the bonds and other fixed-income securities that have a remaining maturity of a maximum of one year amounts to SEK 354.0 million (290.1).

Note 19. Shares and units in Group companies**Parent company**

Amounts in SEK million	2021-12-31	2020-12-31
Value at acquisition date	0.1	0.1
Total	0.1	0.1

Refers to QFS Incitament AB, org.nr. 559232-4452, registered office Stockholm. The number of shares are 50,000 shares, holding 100%.

Note 20. Intangible assets

Internally generated capitalised development costs with determinable useful lives

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Cost at beginning of the year	353.1	305.5
New acquisitions and internal development ¹⁾	82.8	67.7
Disposals	–	–20.1
Cost at year-end	435.9	353.1
Accumulated amortisation at beginning of the year	–190.3	–126.9
Amortisation for the year	–76.5	–67.9
Depreciation of the year	–	–15.6
Disposals of the year	–	20.1
Accumulated amortisation at year-end	–266.8	–190.3
Closing carrying amount	169.1	162.8

Intangible assets consist primarily of in-house program products related to Qliro's product segment Payment Solutions and Digital Banking Services.

1) Of which SEK 37.8 million (39.0) for internally generated work.

Note 21. Tangible assets

The Group

Amounts in SEK million	2021-12-31	2020-12-31
Cost at beginning of the year	73.3	64.9
Purchases for the year	7.5	6.8
Additional rights to use premises and buildings	8.0	1.6
Cost at year-end	88.8	73.3
Accumulated depreciation at beginning of the year	–41.8	–23.9
Depreciation for the year	–19.5	–17.9
Accumulated depreciation at year-end	–61.3	–41.8
Closing carrying amount	27.5	31.5

Parent company

Amount in SEK million	2021-12-31	2020-12-31
Cost at beginning of the year	50.5	43.7
Purchases for the year	7.5	6.8
Cost at year-end	58.0	50.5
Accumulated depreciation at beginning of the year	–33.5	–23.9
Depreciation for the year	–11.2	–9.6
Accumulated depreciation at year-end	–44.7	–33.5
Closing carrying amount	13.3	17.0

Note 22. Other assets

The Group

Amounts in SEK million	2021-12-31	2020-12-31
Accounts receivable	40.2	40.0
Current tax assets	6.2	5.6
Other receivables	0.8	1.4
Total	47.2	47.0

Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Accounts receivable	40.2	40.0
Current tax assets	6.2	5.6
Receivables from Group companies	2.5	2.5
Other receivables	0.8	1.4
Total	49.8	49.5

Note 23. Prepaid expenses and accrued income

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Prepaid rental charges	3.1	3.0
Prepaid pension premiums	1.1	1.2
Prepaid licences	9.8	6.3
Prepaid marketing expenses	2.1	1.0
Prepaid commission expenses	0.0	3.4
Other prepaid expenses	4.8	3.2
Accrued income	1.6	1.6
Accrued interest	0.1	–
Total	22.6	19.8

Note 24. Liabilities to credit institutions

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Swedish banks	452.2	215.0
Of which, SEK	208.0	55.5
Of which, foreign currency	244.1	159.6
Total	452.2	215.0

Note 25. Deposits and borrowings from the public**The Group / Parent company**

Amounts in SEK million	2021-12-31	2020-12-31
Deposits and borrowings from the public	2.231.0	2.132.9
By category		
Private individuals	2.231.0	2.132.9
Companies	-	-
Total	2.231.0	2.132.9
By currency		
Swedish currency	1.831.0	1.910.7
Foreign currency	400.0	222.2
Total	2.231.0	2.132.9

Note 26. Other liabilities**The Group**

Amounts in SEK million	2021-12-31	2020-12-31
Accounts payable	5.5	7.9
Tax at source, employees	3.5	3.5
Factoring	5.2	28.8
Excess payments from customers	25.6	22.1
Leasing liabilities	14.9	14.9
Other liabilities	19.4	17.9
Total	74.1	95.0

Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Accounts payable	5.5	7.9
Tax at source, employees	3.5	3.5
Factoring	5.2	28.8
Excess payments from customers	25.6	22.1
Other liabilities	19.4	17.9
Total	59.3	80.2

Note 27. Derivatives**Derivative instruments**

Derivatives for hedging fair value not hedge account.

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Foreign exchange-related contract	1.2	1.8
Total	1.2	1.8

Note 28. Accrued expenses and deferred income**The Group / Parent company**

Amounts in SEK million	2021-12-31	2020-12-31
Accrued staff costs	25.7	19.8
Accrued commissions	23.4	21.9
Accrued bonus costs	1.6	2.2
Accrued postage costs	1.5	1.4
Accrued credit check costs	1.6	1.8
Other deferred income/accrued expenses	13.2	15.0
Accrued interest expense	0.5	0.5
Total	67.5	62.6

Note 29. Subordinated debt**The Group / Parent company**

Amounts in SEK million	2021-12-31	2020-12-31
Bonds	100.0	100.0
Total	100.0	100.0

Under the third quarter 2019 Qliro issued SEK 100 million subordinated Tier 2 capital notes. The financial instrument has been registered at Nasdaq Stockholm in October 2019. The bond issue is subordinated to other liabilities and can be counted into own funds as tier 1 capital according to current regulation.

The bond issue carry a floating rate interest of three months STIBOR plus 6.75 percent per annum and mature in September 2029 with the first redemption in September 2024.

Note 30. Equity**Specification share capital**

As of 31 December 2021, the registered share capital of 50,324,324 (50,050,000) comprised ordinary shares with a quota value of SEK 2.80 per share.

Bonus issue

A bonus issue has, through non-restricted equity, increased share capital by SEK 274,327.

Warrants

The Extraordinary General Meeting on November 23 2020 resolved to introduce a warrant plan for members of the executive management team and key employees in Qliro. In total, 23 employees subscribed for 834,920 warrants, corresponding to 88 percent of the maximum number of warrants according to the Extraordinary General Meeting's resolution. Each warrant entitles the holder to subscribe for one share in Qliro in two possible periods, either in late 2023 or early 2024. The exercise price was set at SEK 43.27 (corresponding to 135% of VWAP, which is set at SEK 32.05) and the value limitation per warrant at SEK 80.13 (corresponding to 250% of VWAP).

Reserve for translation differences

Translation differences from foreign operations are in year 2020 reclassified to the income statement.

Reserve for fair value

Reserve for fair value includes the accumulated net change of fair value debt instrument measured at fair value through other comprehensive income until the assets has been derecognised from the report over the financial condition or is reclassified.

Reserve for development costs

In the parent company the regulations concerning provisions for reserve for development costs are applied. Upon capitalization of in-house developed intangible assets, an amount corresponding to the capitalized development costs, is transferred from non-restricted equity to a reserve for development costs within restricted equity. Upon amortization of capitalized development costs, the corresponding amount is returned to non-restricted equity. The change for the year for the reserve for development costs comprises of in-house developed capitalized development fees of SEK 59.5 million (43.3) and the amortization of the year of SEK 61.5 million (49.1).

Note 31. Financial instruments – classification and fair value

Classification of financial instruments

The Group

Amounts in SEK million	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
2021-12-31				
Assets				
Bonds and other fixed-income securities	–	354.0	–	354.0
Lending to credit institutions	–	–	57.5	57.5
Lending to the public	–	–	2 758.9	2 758.9
Other assets	–	–	41.0	41.0
Accrued income	–	–	1.7	1.7
Total financial instruments	–	354.0	2,859.0	3,213.1
Other non-financial instruments				260.9
Total assets				3,474.0
Liabilities				
Liabilities to credit institutions	–	–	452.2	452.2
Deposits and borrowings from the public	–	–	2 231.0	2 231.0
Derivatives	1.2	–	–	1.2
Other liabilities	–	–	69.1	69.1
Accrued expenses	–	–	59.7	59.7
Subordinated debt	–	–	100.0	100.0
Total financial instruments	1.2	–	2,912.0	2,913.2
Other non-financial instruments				12.8
Equity				548.1
Total liabilities and equity				3,474.0

Amounts in SEK million	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying amount
2020-12-31				
Assets				
Bonds and other fixed-income securities	–	290.1	–	290.1
Lending to credit institutions	–	–	155.1	155.1
Lending to the public	–	–	2,460.3	2,460.3
Other assets	–	–	41.4	41.4
Accrued income	–	–	1.6	1.6
Total financial instruments	–	290.1	2,658.3	2,948.4
Other non-financial instruments				246.9
Total assets				3,195.3
Liabilities				
Liabilities to credit institutions	–	–	215.0	215.0
Deposits and borrowings from the public	–	–	2,132.9	2,132.9
Derivatives	1.8	–	–	1.8
Other liabilities	–	–	90.6	90.6
Accrued expenses	–	–	55.7	55.7
Subordinated debt	–	–	100.0	100.0
Total financial instruments	1.8	–	2,594.2	2,596.0
Other non-financial instruments				11.4
Equity				568.0
Total liabilities and equity				3,195.3

The fair value of financial instruments that are traded on an active market (financial instruments measured at fair value through other comprehensive income) is based on quoted market prices at the balance sheet date. The quoted market price used for Qliro's financial assets is the current buying-rate.

The levels on the fair value is based on the following fair value hierarchy:

- Listed prices (unadjusted) on active markets for identical assets or liabilities (level 1)
- Calculated amounts which are based on observable market quotations for similar instruments which includes measurement at price quotation on a less active market (level 2). In this level there are inter alia interest-bearing securities.
- Data for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs) (level 3).

Note 31. Financial instruments cont.**Financial instruments measured at fair value**

Amounts in SEK million	Level 1	Level 2	Level 3
2021-12-31			
Bonds and other fixed-income securities	354.0	-	-
Total assets	354.0	-	-
Derivatives	-	1.2	-
Total liabilities	-	1.2	-
2020-12-31			
Bonds and other fixed-income securities	290.1	-	-
Total assets	290.1	-	-
Derivatives	-	1.8	-
Total liabilities	-	1.8	-

2) Bonds and other fixed-income securities have been reclassified from level 2 to level 1, hence comparative figures for 2020 have been adjusted to level 1

Fair value of financial instruments amortised cost¹⁾**The Group**

Amounts in SEK million	Level 1	Level 2	Level 3
2021-12-31			
Liabilities to credit institutions	-	-	57.5
Lending to the public	-	-	2,758.9
Other assets	-	-	41.0
Accrued income	-	-	1.7
Total	-	-	2,859.0
Liabilities to credit institutions	-	-	452.2
Deposits and borrowings from the public	-	-	2,231.0
Other liabilities	-	-	69.1
Accrued expenses	-	-	59.7
Subordinated debt	-	100.0	-
Total	-	100.00	2,812.0

Amounts in SEK million	Level 1	Level 2	Level 3
2020-12-31			
Liabilities to credit institutions	-	-	155.1
Lending to the public	-	-	2,460.3
Other assets	-	-	41.4
Accrued income	-	-	1.6
Total	-	-	2,658.3
Liabilities to credit institutions	-	-	215.0
Deposits and borrowings from the public	-	-	2,132.9
Other liabilities	-	-	90.6
Accrued expenses	-	-	55.7
Subordinated debt	-	100.0	-
Total	-	100.00	2,494.2

1) Fair value for financial instruments which are recognised to amortised cost do not materially diverge from the book value.

Not 32. Capital Adequacy Analysis

In accordance with the 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 Finansinspektionen's regulations regarding prudential requirements and capital buffers (FFFS 2014:12), Qliro AB ("Qliro") hereby discloses the 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 annually approved by the CEO. The procedures include roles and responsibilities as well as Qliro's framework for internal control over the financial reporting.

Key metrics

Template "EU KM1 – Key metrics template" is disclosed below as per the technical standards in the Commission implementing regulation 2021/637.

		2021-12-31	2021-09-30	2021-06-30	2020-03-31	2020-12-31
	Available own funds (SEKm)					
1	Common Equity Tier 1 (CET1) capital	441.9	472.9	465.5	488.0	498.7
2	Tier 1 capital	441.9	472.9	465.5	488.0	498.7
3	Total capital	541.9	572.9	565.5	588.0	598.7
	Risk-weighted exposure amounts (SEKm)					
4	Total risk exposure amount	2,423.0	2,322.3	2,242.8	2,211.1	2,231.0
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	18.2%	20.4%	20.8%	22.1%	22.4%
6	Tier 1 ratio (%)	18.2%	20.4%	20.8%	22.1%	22.4%
7	Total capital ratio (%)	22.4%	24.7%	25.2%	26.6%	26.8%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 7d	Total SREP own funds requirements (%)	8.0%	8.0%	8.0%	8.0%	8.0%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
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%	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	0.1%	0.1%	0.1%	0.1%	0.1%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	2.6%	2.6%	2.6%	2.6%	2.6%
EU 11a	Overall capital requirements (%)	10.6%	10.6%	10.6%	10.6%	10.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	11.2%	13.3%	13.7%	15.0%	15.3%
	Leverage ratio					
13	Total exposure measure (SEKm)	3,370.2	3,306.1	3,262.3	3,231.4	3,089.1
14	Leverage ratio (i %)	13.1%	14.3%	14.3%	15.1%	16.1%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (%)	0.0%	0.0%	0.0%	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%	0.0%	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, SEKm)	254.0	160.5	400.7	260.7	250.1
16a	Cash outflows – Total weighted value (SEKm)	279.2	401.5	270.7	349.4	223.1
16b	Cash inflows – Total weighted value (SEKm)	213.3	410.6	280.6	409.7	253.9
16	Total net cash outflows (adjusted value) (SEKm)	69.8	100.4	67.7	87.4	55.8
17	Liquidity coverage ratio (%)	364.0%	159.9%	592.0%	298.4%	448.4%
	Net Stable Funding Ratio					
18	Total available stable funding (SEKm)	3,105.4	3,008.5	3,058.8	3,046.7	2,924.9
19	Total required stable funding (SEKm)	2,601.8	2,392.2	2,339.5	2,283.4	2,327.4
20	NSFR ratio (%)	119.4%	125.8%	130.7%	133.4%	125.7%

Note 32. Capital Adequacy Analysis cont.

Statement for the total capital requirement and capital base

Risk-weighted capital requirement and capital requirement in relation to gross leverage.

	2021-12-31		2021-09-30		2021-06-30		2021-03-31		2020-12-31	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Risk-weighted capital requirement										
Risk-weighted exposure amounts										
Total risk-weighted exposure amount	2,423.0	-	2,322.3	-	2,242.8	-	2,211.1	-	2,231.0	-
Capital requirement (Pillar 1 requirement)¹										
Common Equity Tier 1 (CET1) capital	109.0	4.5%	104.5	4.5%	100.9	4.5%	99.5	4.5%	100.4	4.5%
Tier 1 capital	145.4	6.0%	139.3	6.0%	134.6	6.0%	132.7	6.0%	133.9	6.0%
Total capital requirement	193.8	8.0%	185.8	8.0%	179.4	8.0%	176.9	8.0%	178.5	8.0%
Special capital requirement (Pillar 2 requirement)²										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Pillar 2 requirement	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Combined buffer requirement³										
Capital conservation buffer	60.6	2.5%	58.1	2.5%	56.1	2.5%	55.3	2.5%	55.8	2.5%
Institution specific countercyclical capital buffer	1.6	0.1%	1.2	0.1%	1.2	0.1%	1.1	0.1%	1.2	0.1%
Combined buffer requirement	62.1	2.6%	59.3	2.6%	57.3	2.6%	56.4	2.6%	56.9	2.6%
Notification (Pillar 2-guidance)⁴										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Pillar 2 guidance	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total overall capital requirements										
Common Equity Tier 1 (CET1) capital	171.2	7.1%	163.8	7.1%	158.2	7.1%	155.9	7.1%	157.3	7.1%
Tier 1 capital	207.5	8.6%	198.6	8.6%	191.9	8.6%	189.1	8.6%	190.8	8.6%
Total Overall capital requirements	256.0	10.6%	245.1	10.6%	236.7	10.6%	233.3	10.6%	235.4	10.6%
Available own funds (Capital base)										
Common Equity Tier 1 (CET1) capital	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%
Tier 1 capital	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%
Total available own funds	541.9	22.4%	572.9	24.7%	565.5	25.2%	588.0	26.6%	598.7	26.8%

1) Capital 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

3) Special capital requirement according to chapter 2. 12. 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 2 chapter. 1 c. Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-guidance)

	2021-12-31		2021-09-30		2021-06-30		2021-03-31		2020-12-31	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Leverage ratio – Capital requirements										
Total exposure amounts										
Total exposure amounts	3,370.2	-	3,306.1	-	3,262.3	-	3,231.4	-	3,089.1	-
Leverage requirements (Pillar 1 requirement)¹										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	101.1	3.0%	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%
Special leverage requirement (Pillar 2 requirement)²										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	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	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Overall capital requirements	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Overall leverage requirements										
Common Equity Tier 1 (CET1) capital	0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	101.1	3.0%	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%
Total Overall capital requirements	101.1	3.0%	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%
Available Common Equity Tier 1 – and Tier 1 Capital (Capital base)										
Common Equity Tier 1 (CET1) capital	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%
Tier 1 capital	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%
Total Overall capital requirements	541.9	22.4%	572.9	24.7%	565.5	25.2%	588.0	26.6%	598.7	26.8%

1) Kapitalbaskrav enligt artikel 92.1 d i förordning (EU) nr 575/2013 om tillsynskrav för kreditinstitut och värdepappersföretag

2) Särskilt kapitalbaskrav enligt 2 kap. 11 lagen om särskild tillsyn över kreditinstitut och värdepappersbolag (pelare 2-krav)

3) Underrättelse enligt 2 kap. 1 c lagen (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag (pelare 2-vägledning)

Internal assessed capital need

As per 2021-12-31 the internal assessed capital need, 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 290 million, or 12.0% of the risk-weighted exposure amount.

Note 33. Pledged assets, contingent liabilities and commitments

Pledged assets

The Group / Parent company

Amounts in SEK million	2021-12-31	2020-12-31
Loans receivable	1,734.2	1,559.1
Total	1,734.2	1,559.1
The collateral above pertains to liabilities		
Liabilities to credit institutions	452.2	215.0
Total	452.2	215.0

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

Note 34. Disclosures on related parties

Related party encompasses subsidiary QFS Incitement AB, all companies that are part of the former Qliro Group and key individuals in senior positions. Transactions with former Qliro Group was only considered a related party until the distribution of Qliro's shares and Qliro's separate listing on Nasdaq Stockholm, October 2, 2020.

Normal business transaction took place between Qliro and other companies that are part of the former Group as well as contractual regular remuneration of the CEO, board and other key individuals. Pricing for business operations is based on market terms. Refer to note 9 for further information on salaries and other remuneration and pensions for key individuals in senior positions.

Transactions and balances with related parties, SEK million	2021-12-31	2020-12-31
Related companies in the former Qliro Group		
Interest income	–	–13.0
Commission income	–	–22.4
Other operating income	–	1.7
General administrative expenses	–	–1.0
Other assets	2.5	2.5
Other related parties		
General administrative expenses	–2.5	–2.1
Deposits and borrowings from the public	2.6	1.4

Note 35. Events after end of period

Jonas Arlebäck was appointed acting CEO from 1 February. On March 16, Qliro's Nomination Committee proposed Qliro's Annual General Meeting, Patrik Enblad as new Chairman of the Board.

The Board made a decision on the same day on a directed new issue of 550,000 shares to Patrik Enblad subject to the approval of the Annual General Meeting and is conditional on an approved management review by SFSA. The new share issue entails an increase in the share capital by 1,540,000 SEK. The subscription price shall be SEK 17.59, corresponding the volume-weighted share price of the company's shares on Nasdaq Stockholm during the ten trading days that immediately preceded the issue decision. The issue means that the company is added in total SEK 9.7 million. The purpose of the issue is to create an ownership interest for Qliro's new Chairman of the Board and by that create a common interest between the company's shareholders and Patrik Enblad, which the Board deems to be beneficial the company in the long term. The issuance corresponds to a dilution of the number of shares and votes of 2.97 percent and does not entail any significant costs for the company.

Note 36. 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 covered by the financial reports. Diluted earnings per share are therefore the same as earnings per share before dilution. 17,972,973 shares have been used in the calculation of earnings per share

The share price as of December 31, 2021 was SEK 23.50.

The Group	2021
Profit for the period attributable to the shareholders of Qliro AB (publ) SEK million	–39.6
Earning per share before and after dilution	17,972,973
Number of outstanding shares before and after dilution	–2.22

Note 37. Proposed appropriation of profits

Parent Company

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

Retained earnings	418,966,735
Share premium reserve	2,529,808
Fair value reserve	–65,890
Loss for the year	–39,609,989
Total	381,820,664

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

Carried forward to next year	318,820,664
Total	318,820,664

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, and describes the significant risks and uncertainty factors faced by the company and its subsidiaries.

Stockholm, 7 April, 2022

Lennart Jacobsen
Chairman of the Board

Alexander Antas
Board member

Robert Burén
Board member

Monica Caneman
Board member

Lennart Francke
Board member

Helena Nelson
Board member

Jonas Arlebäck
Acting-CEO

Our auditor's report was submitted on 7 April 2022
KPMG AB

Mårten Asplund
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Qliro AB, 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 for the year 2021, except for the corporate governance statement on pages 33-41. The annual accounts and consolidated accounts of the company are included on pages 22-74 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 2021 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 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 33-41. 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 2,759 million as of December 31, 2021, which corresponds to 79 percent of the company's total assets. The company's provisions for credit losses in the loan portfolio amount to SEK 112 million. As of January 1, 2018, the company applies IFRS 9, issued by the IASB in July 2014. 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.

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 169 million as of December 31, 2021, 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 1-21 as well as 79-82. 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 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 for the year 2021 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.

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 for year 2021.

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

In our opinion, the Esef report # 7/pa5wnPvgOHez0= 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 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 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 Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 33-41 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement 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 opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Qliro AB by the general meeting of the shareholders on the 19 May 2021. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2014.

Stockholm 7th of April 2022

KPMG AB

Mårten Asplund
Authorized Public Accountant

Alternative performance measures

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.

Performance measure	Definition	Motivation
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 it to analyze profitability in relation to equity.
Deposits and funding 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 of and growth in the deposit business and to track the scope of external funding that comes from deposits from the public.
Items affecting comparability	Income and expenses that affect comparability over time in a significant way 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 the sum of operating income.	The purpose is to provide an indication of the company's cost-effectiveness in relation to the sum of operating income. Also used in benchmark comparisons.
Net credit losses	The period's expected credit losses on items in the balance sheet as well as the period's established credit losses, net.	The purpose is to track the size of and trend in credit risks in lending and to explicitly do so for the size of the forecast-based credit loss amount that reduces 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 various periods and versus the competition.
Credit loss level, % 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-after-delivery (PAD) volume	The period's credit losses for pay-after-delivery (PAD), 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-after-delivery (PAD) volume. The measure is critical to the analysis of credit risk between various periods and versus the competition.
Net income 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 the total return, after all expenses and after tax. Adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Net commission income	The sum of commission income less commission expenses.	Net commission income is tracked to monitor development in the part of the core business not related to lending and deposits. Largely reflects the scope and profitability of lending commissions related to payment solutions and other payment services.
Net commission income adjusted for items affecting comparability	The sum of commission income less commission expenses adjusted for items affecting comparability.	Net commission income adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Net interest income	The sum of interest income less interest expenses.	Net interest income is monitored to track the development of the core business related to lending and deposits.
Net interest income adjusted for items affecting comparability	The sum of interest income less interest expenses adjusted for items affecting comparability.	Net interest income adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Operating profit	The sum of operating income less administrative expenses, depreciation, amortization and impairment of tangible and intangible assets, other operating expenses and credit losses, net.	Operating profit is monitored to track the profitability of the total business, taking into account credit losses and all other expenses except tax.
Operating profit adjusted for items affecting comparability	The sum of 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 opportunities for evaluation and comparison over time.

Alternative performance measures, cont.

Performance measure	Definition	Motivation
Operating profit less depreciation, amortization and impairment of intangible and tangible assets	The sum of operating profit less depreciation, amortization and impairment of tangible and intangible assets.	The purpose is to evaluate operating activities.
Total expenses before credit losses	The sum of the period's operating expenses, which for the company represents the sum of administrative expenses, depreciation, amortization and impairment of tangible and intangible assets, and other expenses.	The purpose is to monitor the size of central expenses that are not directly related to lending and commissions.
Total operating income	The sum of net interest income, net commission income, net gains and losses on financial transactions, and other operating income.	Total operating income is monitored to track the development 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 operating income adjusted for items affecting comparability (accrual of merchant commissions)	The sum of net interest income, net commission income, net gains and losses on financial transactions, and other operating income adjusted for items affecting comparability.	Total operating income adjusted for items affecting comparability provides improved opportunities for evaluation and comparison over time.
Total operating income margin, %	The sum of 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.
Net lending to the public	Loans receivable less provision for expected credit losses.	Net lending to the public is a central driver of the sum of operating income.

OPERATIONAL PERFORMANCE MEASURES

Performance measure	Definition	Motivation
The number of connected merchants	The number of brands that use Qliro as a payment provider.	The number of connected merchants is a central measure in the analysis of the growth forecast for pay-after-delivery volume.
The number of average employees	Full-time services excluding contracted consultants.	The measure indicates how well one of the Group's key processes, HR recruitment and development, develops over time.
Pay-after-delivery, volume	Total volume of Qliro's payment products (invoice, BNPL or part payment), including VAT.	Pay-after-delivery volume is a central driver of the sum of operating income. It is used as a complement to net lending to the public to capture the high turnover of the loan book for the segment of payment solutions.
Pay-after-delivery, transactions	The number of transactions with Qliro's payment products (invoice, BNPL or part payment), including VAT.	Pay-after-delivery transactions is a central driver of the sum of operating income. It is used as a complement to net lending to the public to capture the high turnover of the loan book for the segment of payment solutions.

OTHER PERFORMANCE MEASURES

Performance measure	Definition	Motivation
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 total the Common Equity Tier 1 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 is 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 total capital ratio to ensure that the institution has sufficient capital.

Annual general meeting 2022

The annual general meeting will be held on Tuesday the 17th of May 2022. Due to the coronavirus and in order to reduce the risk of spreading the virus, the board of directors has decided for the annual general meeting to be held without any physical presence of shareholders, representatives and third parties, and that shareholders shall have the possibility to exercise their voting rights only through advance voting (postal voting). Information on the resolutions passed at the general meeting will be disclosed on 17 May 2022, as soon as the result of the postal voting has been finally confirmed.

Registration and notice of attendance

Shareholders who wish to participate in the annual general meeting through postal voting shall:

- be registered as a shareholder in the Company's register of shareholders kept by Euroclear Sweden AB concerning the circumstances on Monday 9 May 2022, and
- give notice of participation no later than on Monday 16 May 2022, by sending in a postal vote in accordance with the instructions under the heading Postal voting below so that the postal voting form is received by Qliro, through Computershare AB, no later than that day.

Nominee registered shares

To be entitled to participate in the annual general meeting, a shareholder whose shares are nominee registered must, in addition to giving notice of participation in the general meeting by sending in a postal vote, register its shares in its own name so that the shareholder is registered in the share register as of Monday 9 May 2022. Such registration may be temporary (so-called voting rights registration), and a request for such voting rights registration shall be made to the nominee in advance and in accordance with the nominee's routines. Voting rights registrations that have been made by the nominee no later than Wednesday 11 May 2022 will be taken into account in the presentation of the share register.

Postal voting

The board of directors has decided that the shareholders shall be able to exercise their voting rights only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form must be used for the postal vote. The form for postal voting is available at qliro.com/en/investor-relations/general-meeting-2022.

Completed and signed forms for postal voting must be received by Computershare AB no later than Monday 16 May 2022. The form shall be sent by mail to Computershare AB, "Qliro AB's AGM 2022", Box 5267, SE-102 46 Stockholm or via e-mail to info@computershare.se. Shareholders who are

natural persons may also, by verifying with BankID in accordance with instructions on the Company's website qliro.com/en/investor-relations/general-meeting-2022, cast their postal votes electronically.

The shareholder may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and at qliro.com/en/investor-relations/general-meeting-2022. For having the postal voting form sent to you by mail, please contact Computer-share AB on telephone +46 77 124 64 00.

Powers of attorney

If shareholders submit their postal votes by proxy, a written and dated power of attorney signed by the shareholder shall be attached to the postal voting form. Power of attorney forms are available at the Company's website qliro.com/en/investor-relations/general-meeting-2022 and will also be sent by e-mail to all registered shareholders who have notified their e-mail address to the Company. If the shareholder is a legal person, it shall also attach a registration certificate or equivalent authorizing documentation to the power of attorney

Shareholders' right to receive information

If a shareholder so requests, and if the board of directors determines it can be made without significant harm to the Company or its subsidiaries, the board of directors and the CEO shall provide information on circumstances that may affect the assessment of an agenda item, circumstances that may affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to another company within the group. A request for such information shall be made in writing to the Company no later than on Saturday 7 May 2022, to Qliro AB, AGM 2022, Box 195 25, SE-104 32 Stockholm, or by e-mail to generalmeeting@qliro.com. The information provided by the Company by such request will be made available at the Company's website qliro.com/en/investor-relations/general-meeting-2022 and at the Company's head office, Sveavägen 151 in Stockholm, no later than Thursday 12 May 2022. The information will also be sent to the shareholder who has requested the information and has provided its address.

Notice

Notice was published 7 April 2022 on Qliros website qliro.com/en/investor-relations/general-meeting-2022 and will be published no later than 19 April, Post- och Inrikes Tidningar. The Notice will also be published in the newspaper Svenska Dagbladet.

FINANCIAL CALENDAR

3 May 2022, at 7.30 am	Interim report January-March 2022
17 May 2022	Annual General Meeting
19 July 2022, at 7.30 am	Interim report January-June 2022
25 October 2022, at 7.30 am	Interim report January-September 2022

For more information please contact:

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The financial reports are also published on qliro.com/en/investor-relations

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