

Increased income and improved profit when excluding items affecting comparability

Important events in the fourth quarter 2021

- The company communicated that Carolina Brandtman were to resign as CEO
- Items affecting comparability of 6.8 MSEK in costs were recognized during the quarter related to severance pay for the CEO and others and recruitment costs for a new CEO and Chairman
- Strong development of payment volumes in Norway. Volume with Qliro's pay-after-delivery products ("PAD") increased with 50 percent

Events after the period

- Jonas Arlebäck was appointed as acting CEO as of 1st of February
- The E-retailer Stronger started to use Qliro's payment solutions
- Qliro entered into a partnership with the e-commerce platform Centra

October– December 2021 (October – December 2020)

- Total operating income increased by 6 percent to SEK 106.1 million (99.8).
- Total operating expenses increased by 11 percent to SEK 101.0 million (90.7), adjusted for items affecting comparability costs increased with 4 percent to 94.1 MSEK (90.7)
- Credit losses decreased with 10 percent to a net of SEK 23.6 million (26.3)
- Operating profit decreased with 7 percent to SEK -18.4 (-17.2), adjusted for items affecting comparability the operating profit improved with 32 percent to -11.6 MSEK (-17.2)
- Net profit for the period improved with 3 percent to SEK -15.1 million (-15.5) and earnings per share amounted to SEK -0.84 (-0.86). Net profit adjusted for items affecting comparability improved with 38 percent to -9.6 MSEK (-15.5)

January – December 2021 (January – December 2020)

- 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)
- Total operating expenses increased by 3 percent to SEK 369.9 million (358.3). Adjusted for items affecting comparability, expenses increased by 6 percent to SEK 363.1 million (342.7)
- Credit losses decreased with 20 percent to a net of SEK 81.9 million (102.5)
- Operating profit improved with 40 percent to SEK -48.3 million (-81.1). Operating profit adjusted for items affecting comparability improved with 27 percent to SEK -41.5 million (-57.1)
- Net profit for the period was improved with 40 percent to SEK -39.9 million (-67.0) and earnings per share amounted to SEK -2.22 (-2.86). Net profit for the period adjusted for items affecting comparability was improved with 28 percent to SEK -34.4 million (-48.1)

+6%

Income growth¹⁾

2,5 M

Number of active customers²⁾

+7%

Growth pay-after delivery volume¹⁾

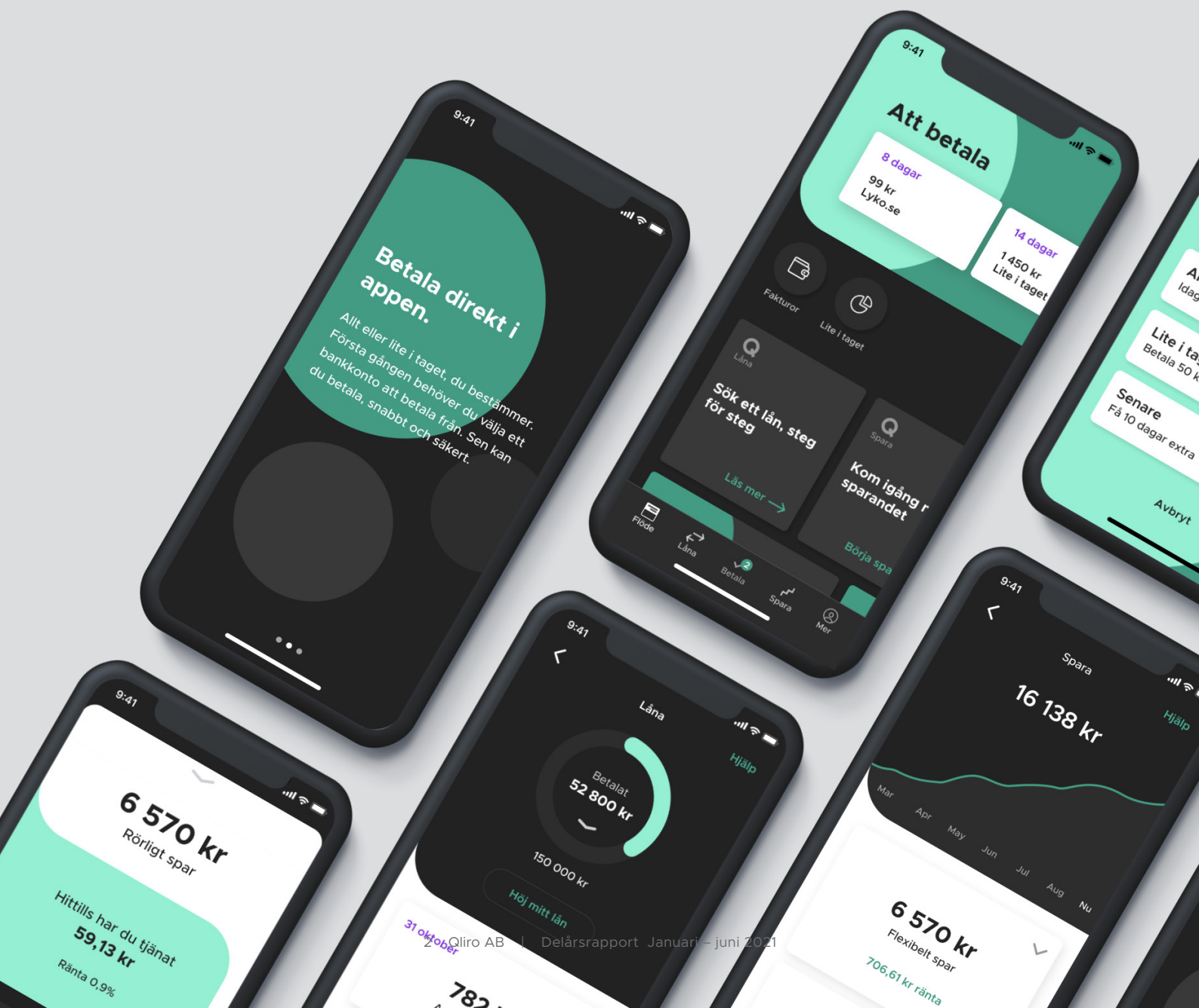
+12%

Lending growth¹⁾

1) Fourth quarter 2021 in comparison with fourth quarter 2020

2) Unique customers that have used Qliro's services in the last 12 months

» More than 1 million unique consumers used Qliro's digital channels during the fourth quarter «



CEO Comment



New merchant and platform collaborations

The improvements of the offer and processes to broaden the payment offering to SME-merchants has continued and the sales processes towards new merchants has started. During the quarter agreements with two merchants within the segment was signed. One of the merchants went live with our services at the end of the quarter and the other went live early 2022. It is positive that we already in the startup phase has generated new customers and that the integration time for new merchants has shortened substantially.

Within the large merchant segment, the fashion company Stronger started to use our services during January. Stronger is one of many strong brands which use Centra as their e-com platform. In the beginning of 2022, we agreed on a partnership with Centra which will enable more merchants that use Centra to become partners to us.

Safe payments and responsible lending

Qliro strives to be a responsible and safe partner for payments in e-commerce. In early 2022 we introduced a functionality in our popular digital channel that allows for consumers to enable Bank ID to always be triggered when they do e-commerce purchases.

One area that Qliro has focused a lot on is to have good processes for making credit assessments and improved reminder features for consumers. Share of late payments have therefore developed positively and credit quality strengthened. As a receipt of that, a new agreement regarding sales of non-performing credits in Sweden was agreed with improved terms.

Comment on the fourth quarter result

Growth of payment volumes continued, +7 percent, although December showed slower growth because a larger share of Christmas shopping took place in-store than in 2020. The strongest development was in Norway where volumes grew with 53 percent as Qliro has started cooperation with new merchants with a larger share of their sales in Norway during the year but also due to stronger growth for "older" merchants in Norway,

Income grew with 6 percent while costs excluding items affecting comparability increased by 4 percent. In comparison to previous years the margin within payment solutions declined due to new regulations but also improved customer features that lowered reminder income. Positive during the quarter was that our main segment Payment Solutions showed income growth of 4 percent.

During the year the credit quality has been strong and during the quarter credit losses was 10 percent lower, than the fourth quarter 2020, although volumes and lending increased.

Operating profit excluding items affecting comparability improved to SEK -11.6 million (-17.2).

Strategy for growth and towards profitability

In my previous roles at Lowell, I have been impressed by Qliro in the interactions and collaborations we have had. I'm happy and grateful for the confidence to lead Qliro and now I look forward to getting to know the organization better.

My assignment as acting CEO is to deliver on the company's growth strategy. The strategy is focused around being the best payment partner for e-merchants. The widening of the customer offering in Sweden to SME merchants has started. Over time, revenues will be generated from more payment methods and through the broadened offer the revenues will to a larger extent come from both merchants and consumers.

We at Qliro shall be a responsive and present partner which offers a high-class service experience to our merchants and their customers. Together with the commercial team at Qliro I look forward to engaging in dialogues with potential new customers and partners and to nurture existing relationships. Qliro grows steadily by adding new partners, but the pace needs to be further increased going forward.

We will soon invite investors and other external stakeholders to a strategy presentation. The presentation will take place during the second half of March. I look forward to get the chance to introduce myself and Qliro closer then.

Stockholm, February 8, 2022

Jonas Arlebäck
Acting CEO Qliro AB

Qliro in brief

Qliro AB (Qliro), founded in 2014, is a tech company offering payment solutions in the form of digital checkout solutions for large e-merchants and their customers in the Nordics and digital financial services to consumers in Sweden. Since 2017 Qliro is a licensed credit market company under the supervision of the Swedish Financial Supervisory Authority (SFSA). The entire operations are managed from the head office in Stockholm

In total, Qliro has 2.5 million active customers and 48 connected e-merchants that use Qliro's payment solutions. During the last 12 months more than 7.4 million purchases were made with Qliro's payment products with a total volume of approximately SEK 7.1bn.

In October 2020 Qliro was listed on Nasdaq Stockholm with the ticker "QLIRO." The largest owners are Rite Ventures with a 26% interest and Mandatum Private Equity (Sampo) with 10%.

Qliro's business segments in brief

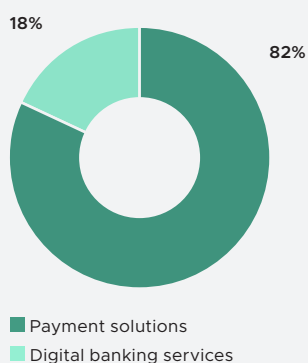
Payment solutions

Payment solutions are offered to larger e-merchants in the Nordics. The solutions contain Qliro's pay-after-delivery (PAD) products for consumers who 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 bank accounts or PayPal payments. 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 the payment solutions, Qliro has since the start interacted with 5.4 million unique customers in the Nordics, and the number of active customers in the last 12 months is just over 2.5 million.

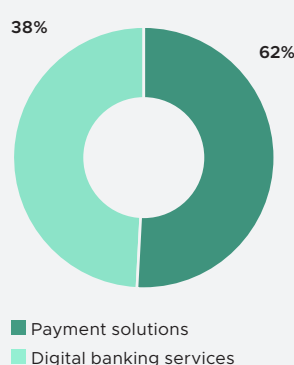
Digital banking services

Digital banking services consist of services offered in Qliro's digital platforms beyond the payment products offered in Payment solutions. Qliro's large database of customers is a competitive advantage that enables Qliro to offer other attractive products, such as personal loans and savings accounts, at low cost. The products are marketed in Qliro's own digital channels to existing customers.

Share of total income



Share of lending to the public



Key performance measures

SEK million except where otherwise stated	2021 Oct – Dec	2020 Oct – Dec	% Δ	2021 Jan – Dec	2020 Jan – Dec	% Δ
Income statement						
Total operating income ¹	106.1	99.8	6%	403.5	379.7	6%
Total operating income adjusted for items affecting comparability ¹	106.1	99.8	6%	403.5	388.1	4%
Total expenses before credit losses	-101.0	-90.7	11%	-369.9	-358.3	3%
of which depreciation	-24.2	-21.7	12%	-96.0	-101.4	-5%
Total expenses before credit losses adjusted for items affecting comparability	-94.1	-90.7	4%	-363.1	-342.7	6%
Net credit losses	-23.6	-26.3	-10%	-81.9	-102.5	-20%
Operating profit/loss ¹	-18.4	-17.2	7%	-48.3	-81.1	-40%
Operating profit/loss adjusted for items affecting comparability ¹	-11.6	-17.2	-32%	-41.5	-57.1	-27%
Profit/loss for the period	-15.1	-15.5	-3%	-39.9	-67.0	-40%
Profit/loss for the period adjusted for items affecting comparability	-9.6	-15.5	-38%	-34.4	-48.1	-28%
Earnings per share before and after dilution SEK ⁴	-0.84	-0.86	-3%	-2.22	-3.73	-40%
Balance sheet						
Lending to the public ¹	2,759	2,460	12%	2,759	2,460	12%
of which Payment solutions	1,699	1,524	11%	1,699	1,524	11%
of which Digital banking services	1,060	937	13%	1,060	937	13%
Deposits and borrowings from the public	2,231	2,133	5%	2,231	2,133	5%
Key figures						
Operating margin, % ¹	16.0%	17.1%	-7%	15.5%	16.8%	-8%
Credit loss level, % ¹	3.6%	4.5%	-21%	3.1%	4.5%	-31%
Cost/income ratio, % ¹	95.1%	90.9%	5%	91.7%	94.4%	-3%
Return on equity, % ¹	neg.	neg.	-	neg.	neg.	-
CET 1 capital ratio, % ³	18.2%	22.4%	-19%	18.2%	22.4%	-19%
Total capital Ratio, % ³	22.4%	26.8%	-16%	22.4%	26.8%	-16%
Liquidity coverage ratio (LCR), % ³	364%	448%	-19%	364%	448%	-19%
Pay-after-delivery volume ²	2,211	2,061	7%	7,125	6,221	15%
Number of connected merchants ²	50	46	9%	50	46	9%
Average number of employees ²	206	198	4%	208	198	5%

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 28–31.

2) Operating performance measures. For definitions see page 29.

3) Other key performance measures. For definitions see page 29.

4) Retroactive adjustments has been made for historical periods for the change in number of shares that took place on September 2nd 2020.

Financial performance

THE FOURTH QUARTER 2021 COMPARED WITH THE FOURTH QUARTER 2020

Qliro's income primarily consists of interest income from pay-after-delivery (PAD) products and personal loans as well as fees charged when customers choose Qliro's payment methods, where payment is made after the customer has received their goods.

Items affecting comparability

During the fourth quarter of 2021, cost items affecting comparability were reported of a total of SEK 6.8 million. The costs related to severance pay for the CEO and some other staff as well as recruitment costs for new CEO and Chairman.

Increased volumes and lending increased income

Total operating income increased by 6 percent to SEK 106.1 million (99.8). Income also increased compared with the previous quarter. The fourth quarter was affected by higher interest expenses, of approximately SEK 2 million, for the deposit guarantee, of which approximately SEK 1.5 million was attributable to the period January-September 2021.

Net interest income increased by 5 percent to SEK 59.2 million (56.2), where interest income increased by 8 percent to SEK 70.3 million (65.3) and interest expenses by 21 percent to SEK 11.0 million (9.1). Interest income increased due to growing business volumes and lending in both Payment solutions and Digital banking services. Interest expenses increased due to the higher fee for the deposit guarantee.

Net commission income increased by 6 percent to SEK 43.4 million (41.1). Increased business volumes contributed positively, while regulatory changes in Denmark had a negative effect.

Net gains and losses on financial items amounted to SEK -0.3 million (-0.3). The outcome of net gains and losses on financial transactions consists of realized and unrealized value changes in receivables and liabilities in other currencies, currency derivatives and valuation effects related to Qliro's liquidity portfolio.

Other income increased to SEK 3.8 million (2.9), where income from payment methods offered through partners in Qliro's checkout solution increased due to higher volumes.

Higher expenses driven by affecting comparability

Total expenses increased by 11 percent to SEK 101.0 million (90.7). Expenses excluding the items affecting comparability, of SEK 6.8 million, increased by 4 percent.

Administrative expenses, primarily consisting of the staff and IT costs, increased by 14 percent to SEK 67.6 million (59.1). The increases are mainly attributable to the severance pay mentioned above. IT costs increased due to higher costs for cyber security and cloud related systems. Staff costs excluding severance pay decreased compared to last year.

Other expenses decreased by 8 percent to SEK 9.2 million (10.0). The decrease is a result of efficiencies in credit check costs and other variable costs. Other expenses to a large extent fluctuate by business volume, e.g. credit check costs.

Depreciation, amortization and impairment increased by 12 percent to SEK 24.2 million (21.7). The increased depreciation and amortization is due to a combination of faster depreciation and amortization schedules and slightly higher investments. Depreciation and amortization mainly consist of amortization of previously capitalized development expenses for e-merchant payment solutions, but also consumer products, the website and app solutions.

Lower credit losses

Total credit losses decreased to SEK 23.6 million (26.3) despite growing volumes and lending. Underlying credit quality improved and no negative effects on customers' payment patterns were noted.

Within Payment solutions, credit losses were stable at SEK 20.3 million (20.3). In relation to PAD volume, credit losses amounted to 0.9 percent (1.0), where improved underlying credit quality had a positive effect. During the quarter a new agreement was reached regarding continuous sale of overdue debt in Sweden which had a positive effect on credit impairments.

In the Digital banking services segment, credit losses decreased to SEK 3.3 million (5.9). Credit losses corresponded to 1.2 percent of average lending (2.6 percent).

Improved result excluding items affecting comparability

Operating profit came in 7 percent lower at SEK -18.4 million (-17.2) and net profit for the period decreased with 3 percent to SEK -15.1 million (-15.5). Earnings per share was -0.84 SEK (0.86).

Excluding items affecting comparability the operating profit improved to SEK -11.6 million (-17.2) and net profit to -9.6 (-15.5)

JANUARY – DECEMBER 2021 COMPARED WITH JANUARY – DECEMBER 2020

Items affecting comparability

During 2021, cost items affecting comparability were reported of a total of SEK 6.8 million. The costs related to severance pay for the CEO and some other staff as well as recruitment costs for new CEO and Chairman.

During 2020 two types of items affecting comparability were reported. Items affecting comparability within the Payment solutions segment 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, as a result of which the second quarter will not be comparable with other periods, while previous and future quarters are still comparable over time (for more information, see note 1 on page 18). Additionally, assets worth SEK 15.6 million were impaired, since they are no longer being used in the business. The impairments comprised, among other things, technology development for the loan product, infrastructure for data storage and app solutions. In total for 2020, the items affecting comparability reduced operating profit by SEK 24 million and profit for the period by SEK 18.9 million.

Income increased but to a lower margin

Total operating income increased by 6 percent to SEK 403.5 million (388.1). Total operating income adjusted for items affecting comparability (described above) increased by 4 percent to SEK 403.5 million (379.7). Regulatory changes which took effect in Denmark and Norway in late 2020 negatively affected income by approximately SEK 8 million.

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 to SEK 39.7 million (35.6). Adjusted for the item affecting comparability, net interest income increased by 7 percent. The increases in interest income and interest expenses were due to 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 the item affecting comparability, net commission income decreased by 1 percent. Increased business volumes contributed positively, while regulatory changes in Norway and Denmark had a negative effect. Qliro's focus on improving the digital customer applications and the customer experience reduced reminder levels, which also contributed to the decrease in net commission income.

Net gains and losses on financial items amounted to SEK -1.4 million (-0.2) and other income increased to SEK 11.0 million (7.5), where income from other payment methods in Qliro's checkout solutions increased as volume increased.

Underlying expenses increased

Total expenses increased by 3 percent to SEK 369.9 million (358.3). Excluding items affecting comparability, expenses increased by 6 percent.

Administrative expenses, primarily consisting of the employee benefits and IT costs, increased by 8 percent to SEK 241.0 million (222.5). Staff costs increased due to the severance pay during the fourth quarter and due to a somewhat larger workforce. Higher system costs for cyber security and cloud solutions as well as increased costs related to being a listed company also contributed to higher costs.

Other expenses, which to a large extent fluctuate by business volume, e.g. credit check costs, amounted to SEK 33.0 million (34.4). The decrease is a result of efficiencies in e.g. credit check costs.

Depreciation, amortization and impairment decreased to SEK 96.0 million (101.4) and mainly consisted of amortization of previously capitalized development expenses for e-merchant payment solutions, consumer products, the website and app solutions. Adjusted for the impairment described above, depreciation and amortization increased by 12 percent as a result of accelerated depreciation and a slightly higher investment level.

Improved credit quality reduced credit losses

Total credit losses amounted 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 provisions allocated in 2020 due to the deteriorating macroeconomic outlook after the pandemic broke out were reversed in 2021. The reversal had a positive effect on credit losses during the year of approximately SEK 6 million. In the same period in 2021 the negative effect was SEK 6 million.

Within the Payment solutions segment, credit losses decreased in relation to PAD volume to 1.1 percent (1.3). Underlying credit quality developed positively.

In the Digital banking services segment, credit losses amounted to 0.5 percent were recognized in relation to average lending (credit losses 2.7 percent). In the first quarter 2021 the provision model for personal loans was updated. The updated model is based on considerably more data compared with the previous model, which was implemented in connection with the product's launch at the end of 2017. The transition to the new model reduced provisions by SEK 7.5 million based on stable credit quality in the portfolio. Credit losses adjusted for the model update also decreased within the segment.

Improved result

Operating profit 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 recognized 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).

Business segment

PAYMENT SOLUTIONS – GROWTH AND BROADENING OF OFFER

Comparisons with the fourth quarter 2020 unless otherwise indicated

Broadening of offer to SME's

Qliro offers digital payment solutions to large 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 after the quarter ended the merchant Stronger was connected to Qliro's payment solutions.

Historically, Qliro's strategy has been focused on a customized offering for the very largest Nordic e-merchants. During the second half of the year the offering was further broadened to include more standardized offers for medium-sized merchants. To be able to be more efficient in the on-boarding of new merchants Qliro started partnerships with the e-com platforms Centra (see page 11 for more information) and Wikinggruppen.

Growth in volumes with strongest growth in Norway

Payment volumes continued to grow and PAD volume increased by 7 percent to SEK 2,221 million, while the number of transactions was 3 percent lower at 2.3 million. During October and November, growth was stronger while December had a weaker development. The assessment is that a larger part of the Christmas shopping took place in physical stores compared to the corresponding period last year. Part-payments and BNPL's grew at a faster pace compared to the invoice volume.

The strongest relative growth was in Norway, where business volume increased by nearly 50 percent. In Qliro's largest market, Sweden, volumes grew by 3 percent and in the quarter 81 percent (86) of business volume was related to Sweden.

Growth in PAD volumes is driven by increased sales by previously connected merchants as well as new merchants that add Qliro as a payment partner. For Qliro's largest customers CDON and Nelly PAD volumes grew with 2 percent and their share of the total volume was 41 percent (43). Other merchants volumes increased by 11 percent. Total lending grew with 11 percent.

Lending, increased by 11 percent to SEK 1,699 million.

Improved income growth

Total operating income increased with 4 percent to SEK 86.9 million (83.4). The income margin decreased to 21.9 percent (23.6) as a consequence of changed regulations and lower share of reminder income. During 2021 the margin has been stable.

Net interest income increased by 1 percent to SEK 40.0 million (39.8). Increased business volume had a positive effect, while the increased deposit guarantee fee (see page 6) had a negative impact.

Net commission income increased by 6 percent to SEK 43.3 million (41.0). Increased business volumes contributed positively.

Other income, which consists of net gains and losses on financial transactions and other income increased to SEK 3.5 million (2.6). Income from partners payment methods increased as a consequence of higher volumes.

Improved credit quality and new sales agreement

Recognized credit losses was stable at SEK 20.3 million (20.3) despite increased lending. In relation to PAD volume, credit losses corresponded to 0.9 percent (1.0), where improved underlying credit quality had a positive impact. During the quarter a new agreement regarding sale of overdue debt in Sweden was signed. The new agreement had a positive impact on credit losses in the quarter.

PAYMENT SOLUTIONS

SEK million except where otherwise stated	2021 Oct – Dec	2020 Oct – Dec	% Δ	2021 Jan – Dec	2020 Jan – Dec	% Δ
Net interest income	40.0	39.8	1%	150.5	144.5	4%
Net commission income	43.3	41.0	6%	170.6	167.0	2%
Total operating income	86.9	83.4	4%	330.7	318.8	4%
Net credit losses	20.3	20.3	0%	76.6	80.3	-5%
Total operating income less credit losses	66.6	63.0	6%	254.0	238.4	7%
Lending to the public	1,699	1,524	11%	1,699	1,524	11%
Pay-after delivery (PAD), volume	2,211	2,061	7%	7,125	6,221	15%
Pay-after delivery (PAD), no of transactions, thousands	2,324	2,391	-3%	7,353	7,124	3%
Credit loss level, %, in relation to PAD volume	0.9%	1.0%	-7%	1.1%	1.3%	-17%

82%

Share of total operating income

62%

Share of lending to the public

+6%

Risk-adjusted Income growth

+7%

Growth in PAD volume

DIGITAL BANKING SERVICES – IMPROVED MARGINS AND STRONG CREDIT QUALITY

Comparisons with the fourth quarter 2020 unless otherwise indicated

Digital offer for existing customers

Qliro drives growth in Digital banking services through marketing in its own digital applications to the 2.5 million consumers (of whom 1.9 million in Sweden) who in the last year have used Qliro's credit products.

Qliro offers personal loans and savings accounts to consumers in Sweden and also offers other digital payment services in partnership with other financial firms. In 2020 and 2021 new mobile apps were launched in Sweden, Norway, Finland and Denmark. Qliro's app makes it easy to manage payments, loans and savings. The app was the second most downloaded fintech app in Sweden (after Swish) in 2020 with an average rating of 4.4 out of 5 in the App Store. The new applications simplify and improve the customer experience with an improved post-purchase experience.

In the fourth quarter more than one million unique customers were active in Qliro's app and Qliro's website.

Improved margin and income growth

Growth in personal loans is driven through digital marketing to existing customers. More than 95 percent of borrowers had an existing relationship with Qliro and many applied through Qliro's app. This means low customer acquisition costs and good knowledge of the customers who apply for loans. Credit checks are automated and based on a combination of internal and external data that is analyzed in real time through machine learning. More than half of Qliro's personal loan customers use the loans to consolidate smaller debts and reduce their interest costs.

Lending increased by 13 percent to SEK 1,060 million (895) and in comparison with the previous quarter lending decreased by 1 percent.

The increased lending and improved margins contributed to an increase in total operating income of 17 percent to SEK 19.3 million (15.8). The income margin increased to 7.5% (7.2%).

Improved credit quality results in lower credit losses

Underlying credit quality in the loan portfolio continues to develop positively and for the quarter credit losses of SEK 3.3 million (5.9) were recognized. The net loan loss level corresponded to 1.2 percent of average lending (2.6).

DIGITAL BANKING SERVICES

SEK million except where otherwise stated	2021 Oct – Dec	2020 Oct – Dec	% Δ	2021 Jan – Dec	2020 Jan – Dec	% Δ
Net interest income	19.2	16.4	17%	72.5	60.5	20%
Total operating income	19.3	16.5	17%	72.9	61.0	20%
Net credit losses	3.3	5.9	-44%	5.3	22.2	-76%
Total operating income less credit losses	16.0	10.5	52%	67.6	38.8	74%
Lending to the public	1 060	937	13%	1 060	937	13%
Credit loss level, %, of average lending to the public	1.2%	2.6%	-52%	0.5%	2.7%	-80%

18%

Share of total operating income

38%

Share of lending to the public

+52%

Risk-adjusted income growth

+13%

Lending growth

Capital, funding and liquidity

Qliro is well-capitalized

Qliro AB's own funds (see Note 9 Capital adequacy) decreased to SEK 542 million (599 as of December 31, 2020). In addition to Common Equity Tier 1 capital, own funds consist of SEK 100 million in subordinated Tier 2 capital issued in 2019. The risk exposure amount increased to SEK 2,423 million (2,231 as of December 31, 2020) due to higher lending compared with the start of the year.

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 (regulatory requirement and internally assessed Pillar 2 capital requirement) 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

Diversified funding platform

In addition to equity, lending to the public was funded by SEK 2,231 million (2,133 as of December 31, 2020) in deposits from the public (savings accounts) in Sweden and Germany and SEK 452 million (215 as of December 31, 2020) through a secured loan facility.

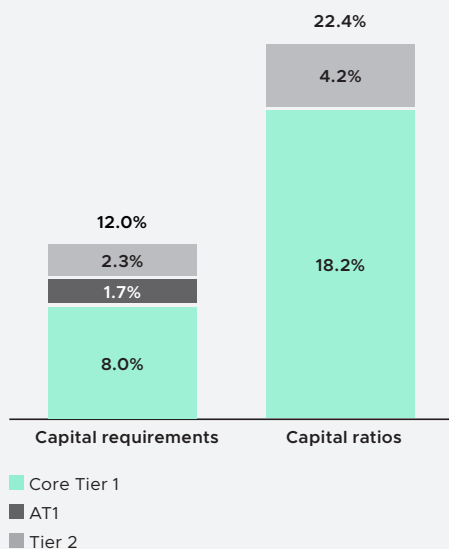
Deposits from the public are a flexible and well-functioning form of funding given Qliro's lending, which largely consists of smaller loans of short duration. Qliro offers two different savings accounts in Sweden, one with a variable interest rate of 0.8 percent, and one account with a 1-year fixed interest rate that at the end of the period was 1.1 percent. Qliro also has a deposit offering in euro for retail customers in Germany in partnership with the open banking platform Deposit Solutions. Deposits in Germany amounted to SEK 400 million at the end of the quarter (222 as of December 31).

Qliro has solid liquidity

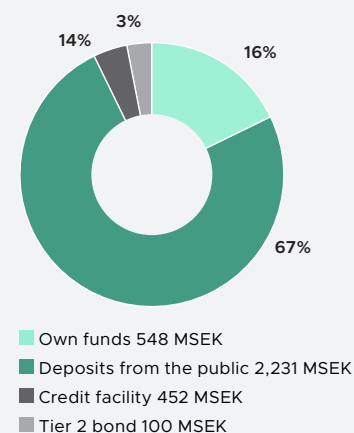
Qliro has solid liquidity and as of December 31 the liquidity portfolio amounted to SEK 409 million. In addition to the liquid investments, Qliro AB had SEK 348 million in back-up liquidity via undrawn funding in a secured committed credit facility. The liquidity portfolio is invested in Nordic banks as well as other liquid investments such as municipal bonds and commercial paper with an average rating of AA+ and an average maturity of 156 days.

The Liquidity Coverage Ratio (LCR) was 364 percent, compared with the legal requirement of 100 percent. The Net Stable Funding Ratio was 119 percent and the Leverage Ratio was 13.1 percent.

Capitalisation, %



Funding mix, %



Other information

Other events during the period

Qliro's nomination committee was appointed and consists of Christoffer Häggblom from Rite Ventures, Alexander Antas from Mandatum Private Equity, Thomas Krishan and Qliro's Chairman Lennart Jacobsen. Shareholders who wish to submit a proposal to the Nomination Committee are welcome to contact the Committee. In order for a proposal to be considered, it must have been received well in advance before the Annual General Meeting which is scheduled to be held on May 17, 2022.

Qliro's current Chairman Lennart Jacobsen informed the Nomination Committee that he is not available for re-election to the Board.

On November 25, 2021, it was announced that Carolina Brandtman would leave her position as CEO. The work with recruiting a new CEO began immediately. During the quarter, Mattias Forsberg, CTO, Andreas Frid, Head of Investor Relations and Lina Agrell, General Counsel resigned and will leave Qliro during the first half of 2022.

Events after the end of the period

Jonas Arlebäck was appointed as acting CEO from 1st of February 2022. Jonas latest position before Qliro was as CEO for Lowell Sweden and CFO for Lowell in the Nordics..

During February the e-merchant Stronger started to use Qliro's payment solutions.

Qliro entered into a partnership with the market leading e-commerce platform Centra. Qliro become one of the few selected integration partners for the Nordic market. The partnership means that Centra's merchants now have the opportunity to choose Qliro as payment partner through a tailor-made integration module. First out to integrate with Qliro through the module was the e-merchant Stronger.

Effects of COVID pandemic

Qliro's operations have been affected in several ways by the ongoing COVID-19 pandemic.

Since the outbreak, the majority of Qliro's employees have worked remotely. During the fourth quarter most of Qliro's employees worked from home.

Within Payment solutions, some e-merchants have seen lower and others higher volumes, and COVID-19 has generally accelerated the transition from brick-and-mortar to e-commerce.

In 2020 the provisions for credit losses increased according to IFRS 9 due to the assumption that the future economic activity would decline. During Q3 the extra provisions was released since the economic conditions have improved and Qliro has not seen a widespread decline in solvency among consumers due to Covid-19.

The deteriorating macroeconomic outlook in 2020 also reduced the countercyclical buffer requirement in the Nordic countries in 2020. In the third quarter 2021 the Swedish FSA decided to raise the countercyclical buffer rate to 1 percent (0). The new rate applies as of September 29, 2022.

Qliro's top 10 shareholders as of December 31, 2021

1. Rite Ventures 25.8% of total shares.
2. Mandatum Private Equity 9.8%
3. Avanza Pension 6.3%
4. Staffan Persson 4.8%
5. Nordnet pensionsförsäkring 3.7%
6. eQ Asset Management 2.5%
7. Thomas Krishan 2.1%
8. Sune Mordenfeld 1.7%
9. Ulf Ragnarsson 1.6%
10. Nordea Liv & Pension 1.5%

Source: Monitor by Modular Finance. Compiled and processed data from Euroclear, Morningstar and the Swedish FSA, among others.

Transactions with related parties

Transactions with related parties are of the same character as described in the annual report for 2020, which was published on April 16, 2021.

Significant risks and uncertainties

Qliro's operations entail daily risks that are measured, controlled and when needed mitigated to protect the company's capital and reputation. The most prominent risks are credit risk, business risk/strategic risk, operational risk, currency risk, interest rate risk and liquidity risk. Qliro's annual report for 2020, which was published on April 16, 2021, and Qliro's prospectus, dated September 28, 2020, which was released before Qliro's shares were listed for trading on Nasdaq Stockholm, contain a detailed description of the company's risk exposures and risk management. In the company's assessment, no significant risks have arisen beyond those described in the prospectus and in this report. On 21 October, a judgement was made at the Patent and Market Court, which prohibits Svea Ekonomi AB from charging certain late fees in the event of late payment on consumer loans. Svea Ekonomi AB has appealed the verdict. If the ruling gains legal force, it could affect the industry as a whole and have a negative effect on Qliro's future revenues.

FINANCIAL REPORTS

Consolidated income statement

SEK million	Note	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Interest income		70.3	65.3	262.6	240.6
Interest expenses		-11.0	-9.1	-39.7	-35.6
Net interest income	2	59.2	56.2	222.9	205.0
Commission income	3	44.2	42.1	174.7	171.4
Commission expenses	3	-0.8	-1.0	-3.7	-4.0
Net profit/loss from financial transactions		-0.3	-0.3	-1.4	-0.2
Other operating income		3.8	2.9	11.0	7.5
Total operating income		106.1	99.8	403.5	379.7
General administrative expenses		-67.6	-59.1	-241.0	-222.5
Depreciation/amortization of tangible and intangible assets		-24.2	-21.7	-96.0	-101.4
Other operating expenses		-9.2	-10.0	-33.0	-34.4
Total expenses before credit losses		-101.0	-90.7	-369.9	-358.3
Profit/loss before credit losses		5.2	9.1	33.6	21.4
Net credit losses	4	-23.6	-26.3	-81.9	-102.5
Operating profit/loss		-18.4	-17.2	-48.3	-81.1
Income tax expense		3.4	1.6	8.4	14.1
Profit/loss for the period		-15.1	-15.5	-39.9	-67.0
Earnings per share before and after dilution ¹⁾		-0.84	-0.86	-2.22	-3.73
Average number of shares before and after dilution, thousands		17 973	17 973	17 973	17 973

Consolidated statement of comprehensive income

SEK million	Note	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Profit/loss for the period		-15.1	-15.5	-39.9	-67.0
Other comprehensive income					
Items that will be reversed to the income statement					
Changes in value of financial assets recognized at fair value through other comprehensive income		-0.0	-0.0	-0.0	0.0
Translation differences from foreign operations		-	-	-	-1.1
Translation differences from foreign operations reclassified to the income statement		-	-	-	0.6
Total other comprehensive income for the period		-0.0	-0.0	-0.0	-0.5
Total profit or loss and other comprehensive income		-15.1	-15.6	-39.9	-67.5

1) Retroactive adjustment has been made for comparative periods for the change in the number of shares that took place on September 2, 2020.

Consolidated balance sheet

SEK million	Note	2021-12-31	2020-12-31
Assets			
Lending to credit institutions		57.5	155.1
Lending to the public	5	2,758.9	2,460.3
Bonds and other fixed-income securities		354.0	290.1
Intangible assets		169.1	162.8
Tangible assets		27.5	31.5
Deferred tax assets		37.2	28.8
Other assets		47.2	47.0
Prepaid expenses and accrued income		22.6	19.8
Total assets		3,474.0	3,195.3
Liabilities and Equity			
Liabilities			
Liabilities to credit institutions		452.2	215.0
Deposits and borrowings from the public	6	2,231.0	2,132.9
Other liabilities		74.1	95.0
Deriatives		1.2	1.8
Accrued expenses and deferred income		67.5	62.6
Subordinated debt		100.0	100.0
Total liabilities		2,925.9	2,607.3
Equity			
Share capital		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

Consolidated statement of changes in equity

SEK million	2021 Oct - Dec	2020 Oct - Dec	2021 Jan - Dec	2020 Jan - Dec
Opening balance	563.2	601.0	588.0	528.0
Profit/loss for the period	-15.1	-15.5	-39.9	-67.0
Total other comprehensive income for the period	-0.0	-0.0	-0.0	-0.5
Issuance of warrants	-	2.5	-	2.5
Shareholder's contribution	-	-	-	125.0
Closing balance	548.1	588.0	548.1	588.0

Consolidated cash flow statement

SEK million	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Operating activities				
Operating profit/loss	-18.4	-17.2	-48.3	-81.1
Adjustments	14.6	43.3	145.4	208.6
Changes in the assets and liabilities of operating activities	-199.1	86.3	-96.1	-257.6
Cash flow from operating activities	-203.0	112.5	1.1	-130.0
Investing activities				
Purchase of tangible assets	-0.4	-3.7	-7.5	-6.8
Purchase of intangible assets	-20.7	-15.0	-82.8	-67.7
Cash flow from investing activities	-21.2	-18.8	-90.2	-74.5
Financing activities				
Shareholders' contributions received	-	-	-	125.0
Amortization lease	-2.0	-2.0	-8.2	-8.2
Issuance of warrants	-	2.5	-	2.5
Cash flow from financing activities	-2.0	0.5	-8.2	119.3
Cash flow for the period	-226.2	94.2	-97.3	-85.2
Cash and cash equivalents at beginning of the period	283.7	60.8	155.1	240.2
Exchange differences in cash and cash equivalents	-0.1	0.0	-0.3	0.1
Cash flow for the period	-226.2	94.2	-97.3	-85.2
Cash and cash equivalents at the end of the period	57.4	155.1	57.5	155.1

Parent company's income statement

SEK million	Note	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Interest income		70.3	65.3	262.6	240.6
Interest expenses		-11.0	-9.1	-39.5	-35.3
Net interest income	2	59.3	56.2	223.1	205.3
Commission income	3	44.2	42.1	174.7	171.4
Commission expenses	3	-0.8	-1.0	-3.7	-4.0
Net profit/loss from financial transactions		-0.3	-0.3	-1.4	-0.2
Other operating income		3.8	2.9	11.0	7.5
Total operating income		106.2	99.9	403.7	380.0
General administrative expenses		-69.7	-61.1	-249.2	-230.7
Depreciation/amortization of tangible and intangible assets		-22.1	-19.6	-87.7	-93.1
Other operating expenses		-9.2	-10.0	-33.0	-34.4
Total expenses before credit losses		-101.0	-90.7	-369.8	-358.2
Profit/loss before credit losses		5.2	9.2	33.9	21.8
Net credit losses	4	-23.6	-26.3	-81.9	-102.5
Operating profit/loss		-18.4	-17.1	-48.0	-80.7
Income tax expense		3.4	1.6	8.4	14.1
Profit/loss for the period		-15.0	-15.5	-39.6	-66.6
Earnings per share before and after dilution ¹⁾		-0.83	-0.86	-2.20	-3.71

Parent company's statement of comprehensive income

SEK million	Note	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Profit/loss for the period		-15.0	-15.5	-39.6	-66.6
Other comprehensive income					
Items that will be reversed to the income statement					
Changes in value of financial assets recognized at fair value through other comprehensive income		-0.0	-0.0	-0.0	0.0
Translation differences from foreign operations		-	-	-	-1.1
Translation differences from foreign operations reclassified to the income statement		-	-	-	0.6
Total other comprehensive income for the period		-0.0	-0.0	-0.1	-0.5
Total profit or loss and other comprehensive income		-15.0	-15.5	-39.6	-67.2

1) Retroactive adjustment has been made for historical periods for the change in the number of shares that took place on September 2nd, 2020.

Parent company's balance sheet

SEK million	Note	2021-12-31	2020-12-31
Assets			
Lending to credit institutions		54.9	152.5
Lending to the public	5	2,758.9	2,460.3
Bonds and other fixed-income securities		354.0	290.1
Shares and units		0.1	0.1
Intangible assets		169.1	162.8
Tangible assets		13.3	17.0
Deferred tax assets		37.2	28.8
Other assets		49.8	49.5
Prepaid expenses and accrued income		22.6	19.8
Total assets		3,459.7	3,180.8
Liabilities and Equity			
Liabilities			
Liabilities to credit institutions		452.2	215.0
Deposits and borrowings from the public	6	2,231.0	2 132.9
Other liabilities		59.3	80.2
Derivatives		1.2	1.8
Accrued expenses and deferred income		67.5	62.6
Subordinated debt		100.0	100.0
Total liabilities		2,911.1	2,592.5
Equity			
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	419.5
Total equity		548.7	588.3
Total liabilities and equity		3,459.7	3,180.8

Parent company statement of changes in equity

SEK million	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Opening balance	563.7	601.3	588.3	528.0
Profit/loss for the period	-15.0	-15.5	-39.6	-66.6
Total other comprehensive income for the period	-0.0	-0.0	-0.0	-0.5
Issuance of warrants	-	2.5	-	2.5
Shareholder's contribution	-	-	-	125.0
Closing balance	548.7	588.3	548.7	588.3

Parent company's cash flow statement

SEK million	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Operating activities				
Operating profit/loss	-18.4	-17.1	-48.0	-80.7
Adjustments	12.5	41.2	137.0	200.1
Changes in the assets and liabilities of operating activities	-199.1	83.8	-96.1	-260.1
Cash flow from operating activities	-205.0	107.9	-7.1	-140.8
Investing activities				
Purchase of tangible assets	-0.4	-3.7	-7.5	-6.8
Purchase of intangible assets	-20.7	-15.0	-82.8	-67.7
Cash flow from investing activities	-21.2	-18.8	-90.2	-74.5
Financing activities Shareholders'				
Shareholders' contributions received	-	-	-	125.0
Issuance of warrants	-	2.5	-	2.5
Cash flow from financing activities	-	2.5	-	127.5
Cash flow for the period	-226.2	91.7	-97.3	-87.8
Cash and cash equivalents at beginning of the period	178.8	60.8	152.5	240.2
Exchange differences in cash and cash equivalents	-0.1	0.0	-0.3	0.1
Cash flow for the period	-123.8	91.7	-97.3	-87.8
Cash and cash equivalents at the end of the period	54.9	152.5	54.9	152.5

NOTES

Not 1. Accounting policies

The year-end report for Qliro AB covers the period January 1 to December 31, 2021. Qliro has its registered address in Stockholm and its registration number is 556962-2441.

The year-end report is prepared in accordance with IAS 34 Interim financial reporting. The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretive statements on these standards as approved for application within the EU. The complementary rules in the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the regulations and general advice FFFS 2008:25 of the Swedish Financial Supervisory Authority regarding annual reports at credit institutions and securities companies are applied as well.

RFR 1 Complementary accounting rules for groups and the statement from the Swedish Financial Reporting Board are also applied in the consolidated accounts.

The parent company has prepared the interim report in accordance with ÅRKL and the regulations and general advice of the Swedish Financial Supervisory Authority. The parent company also applies RFR 2 Accounting for legal entities of the Swedish Financial Reporting Board. In accordance with the Swedish Financial Supervisory Authority's general advice, the parent company applies the international financial reporting standards that have been approved by the EU in the preparation of the financial reports.

Qliro's year-end report is prepared in accordance with the same accountings policies and calculation methods applied in the annual report for 2020.

Note 2. Net interest income

SEK million	Group			
	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Interest income				
Lending to the public	70.2	65.3	262.4	240.4
Interest-bearing securities	0.1	–	0.2	0.2
Total interest income	70.3	65.3	262.6	240.6
Interest expenses				
Liabilities to credit institutions	–4.5	–2.4	–12.0	–10.5
Deposits to the general public	–4.6	–4.9	–20.1	–17.8
Interest-bearing securities	–0.2	–0.1	–0.5	–0.1
Subordinated debt	–1.7	–1.7	–6.8	–6.9
Lease liabilities	0.0	–0.1	–0.2	–0.2
Other interest expenses	–	–	–0.1	–
Total interest expenses	–11.0	–9.1	–39.7	–35.6
Net interest income	59.2	56.2	222.9	205.0

SEK million	Parent company			
	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Interest income				
Lending to the public	70.2	65.3	262.4	240.4
Interest-bearing securities	0.1	–	0.2	0.2
Total interest income	70.3	65.3	262.6	240.6
Interest expenses				
Liabilities to credit institutions	–4.5	–2.4	–12.0	–10.5
Deposits to the general public	–4.6	–4.9	–20.1	–17.8
Interest-bearing securities	–0.2	–0.1	–0.5	–0.1
Subordinated debt	–1.7	–1.7	–6.8	–6.9
Other interest expenses	–	–	–0.1	–
Total interest expenses	–11.0	–9.1	–39.5	–35.3
Net interest income	59.3	56.2	223.1	205.3

Note 3. Net commission income

SEK million	Group and Parent company			
	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Commission income				
Lending commissions	36.8	34.4	145.7	143.7
Other commission income	7.4	7.7	29.0	27.7
Total commission income	44.2	42.1	174.7	171.4
Commission expenses				
Other commission expenses	-0.8	-1.0	-3.7	-4.0
Total commission expenses	-0.8	-1.0	-3.7	-4.0
Net commission income	43.4	41.1	171.0	167.5

Note 4. Net credit losses

SEK million	Group and Parent company			
	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Expected credit losses on items in the balance sheet				
Net loss provision for the period, Stage 1	1.3	-1.4	2.6	-6.2
Net loss provision for the period, Stage 2	-2.0	-3.5	11.2	-12.0
Total net credit losses non-credit-impaired lending	-0.6	-4.9	13.8	-18.2
Net loss provision for the period, Stage 3	1.3	-3.1	6.0	-12.9
Realized net credit losses for the period	-24.3	-18.2	-101.7	-71.4
Total net credit losses credit-impaired lending	-23.0	-21.3	-95.7	-84.3
Total net credit losses	-23.6	-26.3	-81.9	-102.5
Loss provisions on loans measured at amortized costs	-112.1	-130.5	-112.1	-130.5

Note 5. Lending to the public

2021-12-31 SEK million	Group and Parent company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	2,278.7	448.6	143.7	2,871.0
Provisions for expected credit losses	-16.0	-34.6	-61.5	-112.1
Net lending to the public	2,262.7	414.0	82.2	2,758.9

2020-12-31 SEK million	Group and Parent company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	1,940.9	477.8	172.1	2,590.8
Provisions for expected credit losses	-18.5	-45.4	-66.6	-130.5
Net lending to the public	1,922.4	432.4	105.5	2,460.3

Loans with modified conditions, where the loan is not derecognised from the balance sheet and replaced with new loan amounted December 31 2021 to SEK 20,6 million (17,4).

Note 6. Deposits and borrowings from the public

SEK million	Group / Parent company	
	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

Not 7. Financial instruments cont.

Classification of financial instruments

2021-12-31. SEK million	Group			
	Fair value through other comprehensive income	Fair value through income statement	Amortized cost	Total carrying amount
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	-	2,859.1	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
Other liabilities	-	-	69.1	69.1
Derivatives	-	1.2	-	1.2
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
Total liabilities	-	-	-	2,925.9

2020-12-31. SEK million	Group			
	Fair value through other comprehensive income	Fair value through income statement	Amortized cost	Total carrying amount
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
Total liabilities	-	-	-	2,607.3

Note 7. Financial instruments cont.

Classification of financial instrument

Classification of financial instrument

The fair value of financial instruments traded in an active markets is based on quoted market prices on the closing day. The quoted market price used for Qliro's financial assets is the official bid rate. A disclosure of the fair value of items measured at fair value can be found below. The levels in the disclosure according to the fair value hierarchy below are defined as follows:

- Quoted prices (unadjusted) on active markets for identical assets or liabilities (Level 1)
- Observable data for assets or liabilities other than quoted prices included in Level 1, either directly (i.e., through price quotes) or indirectly (i.e., extrapolated from price quotes) (Level 2)
- Input data for assets or liabilities that are not based on observable market data, i.e., non-observable input data (Level 3)

2021-12-31, SEK million	Group			Total
	Level 1	Level 2	Level 3	
Assets				
Bonds and other fixed-income securities	354.0	-	-	354.0
Total assets	354.0	-	-	354.0
Liabilities				
Derivatives	-	1.2	-	1.2
Total liabilities	-	1.2	-	1.2

2020-12-31, SEK million	Group			Total
	Level 1	Level 2	Level 3	
Assets				
Bonds and other fixed-income securities ¹⁾	290.1	-	-	290.1
Total assets	290.1	-	-	290.1
Liabilities				
Derivatives	-	1.8	-	1.8
Total liabilities	-	1.8	-	1.8

1) 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.

For assets or liabilities which are recognized at to amortized cost, carrying amounts are considered equivalent to fair value.

Note 8. Operating segments

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 allocation resources and assessing results. The CEO assess the results for Payment Solutions and Digital Banking Services. The CEO evaluates the development of the segments based on operating income less net credit losses. Segment reporting is based on the same principles and external accounting.

SEK million	Group					
	2021 Oct - Dec			2020 Oct - Dec		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	46.8	23.4	70.3	45.4	19.9	65.3
Interest expenses	-6.8	-4.2	-11.0	-5.6	-3.6	-9.1
Net commission income	43.3	0.1	43.4	41.0	0.1	41.1
Net profit/loss from financial transactions	-0.3	-	-0.3	-0.3	-	-0.3
Other operating income	3.8	-	3.8	2.9	-	2.9
Total operating income	86.9	19.3	106.1	83.4	16.5	99.8
Net credit losses	-20.3	-3.3	-23.6	-20.3	-5.9	-26.3
Total operating income less credit losses	66.6	16.0	82.5	63.0	10.5	73.6

SEK million	Group					
	2021 Jan - Dec			2020 Jan - Dec		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income ¹	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 ¹	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

1) Non-recurring effects, accrual of merchant commissions, impact Payment Solution net interest by SEK -3.4 million and net commission income by SEK -5.0 million year 2020.

Note 8. Operating segments cont.

Of the net lending to the public of SEK 2,759 million (2,460 as of December 31, 2020), SEK 1,699 million (1,524 as of December 31, 2020) refers to Payment solutions and SEK 1,060 million (937 as of December 31, 2020) refers to Digital banking services.

Commission income per geographic market and segment

SEK million	Group and Parent company			
	2021 Oct - Dec	2020 Oct - Dec	2021 Jan - Dec	2020 Jan - Dec
Payment solutions				
Lending commissions				
Sweden	29.6	28.5	119.2	109.9
Finland	1.6	1.5	6.6	7.2
Denmark	0.8	1.1	2.7	6.0
Norway	4.7	3.2	16.8	20.2
Total	36.7	34.3	145.3	143.3
Other commission income				
Sweden	7.0	7.4	27.4	26.5
Finland	0.1	0.1	0.4	0.5
Denmark	0.0	0.0	0.0	0.1
Norway	0.3	0.2	1.2	0.7
Total	7.4	7.7	29.0	27.7
Total commission income Payment Solution	44.1	42.0	174.3	171.0
Digital banking services				
Lending commissions				
Sweden	0.1	0.1	0.4	0.4
Total commission income Digital Banking	0.1	0.1	0.4	0.4
Total commission income	44.2	42.1	174.7	171.4

Note 9. 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 9. 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

1) 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%
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		472.9		465.5		488.0		498.7	
Tier 1 capital	441.9		472.9		465.5		488.0		498.7	
Total Overall capital requirements	541.9		572.9		565.5		588.0		598.7	

1) Capital requirements according to article 92.1 d. Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms

2) Special capital requirement according to chapter 2, 11, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-requirement)

3) Notification according to chapter 2, 1 c, Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-guidance)

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 10. Disclosure of liquidity risks

The disclosure below refers to Qliro AB and includes information in accordance with Finansinspektionen's regulations regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7). The information is disclosed at least four times per year.

Sources of funding

Qliro AB's net lending to the public amounted to SEK 2,759 (2,460) million at the end of the quarter. The lending was financed by the amount of SEK 452 (215) million via a secured contracted credit facility and SEK 2,231 (2,133) million through deposits from the public (savings accounts) in Sweden and Germany, of which 99.7 percent are protected by the deposit insurance scheme in Sweden. Deposits from the public were divided into 62 percent on demand with variable rate and 38 percent fixed interest rate with a duration of 153 days as of December 31, 2021 (initially 6-month fixed rate and 1-year fixed rate). Correspondingly, 18 percent of the deposit from the public is invested in liquid financial assets and placed in Nordic banks.

Liquidity Qliro AB

Qliro AB's total liquidity as of December 31, 2021 amounted to SEK 408.9 million, consisting of:

- Investments in debt securities: SEK 354 million

- Bank balances in Nordic Banks: SEK 54.9 million

In addition to the financial investments, Qliro AB had as of December 31, 2021 SEK 348 million in back up liquidity via undrawn funding in a secured committed credit facility.

As of December 31, 2021, the liquidity coverage ratio amounted to 364 percent for Qliro AB, to be compared with the regulatory requirement of 100 percent. The liquidity coverage ratio measures a liquidity buffer of SEK 254 million, related to net outflows of SEK 69.8 million over a thirty-day period under stressed market conditions.

The liquidity reserve consists of the following high-quality liquid assets:

- Investments in debt securities consists of SEK 344 million in SEK denominated currency and SEK 10 million in EUR denominated currency.
- Of the debt securities denominated in EUR currency SEK 10 million was invested Swedish municipalities securities.
- All debt securities in the portfolio had a rating of AA+ with an average maturity of 156 days.

Note 11. Event after end of period

Jonas Arlebäck was appointed acting CEO from 1 February.

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 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.

RECONCILIATION TABLES

for derivation of alternative key figures

SEK million (unless otherwise stated)	2021 Oct – Dec	2020 Oct – Dec	2021 Jan – Dec	2020 Jan – Dec
Business volume				
Pay-after-delivery volume	2,211	2,061	7,125	6,221
Return on equity, %				
Total equity, opening balance	563	601	588	528
Total equity, closing balance	548	588	548	588
Average equity (OB+CB)/2	556	594	568	558
Profit/loss for the period	-15,1	-15,5	-39,9	-67,0
Average profit/loss for the period 12 month	-60,2	-62,1	-39,9	-67,0
Return on equity, %	-10,8%	-10,5%	-7,0%	-12,0%
Items affecting comparability				
Accrual merchant commissions	-	-	-	8,4
Impairment of intangible assets	-	-	-	15,6
Severance pay, recruitment costs	6,8	-	6,8	-
Items affecting comparability	6,8	-	6,8	24,0
C/I ratio, %				
Total expenses before credit losses	-101,0	-90,7	-369,9	-358,3
Total operating income	106,1	99,8	403,5	379,7
C/I ratio, %	95,1%	90,9%	91,7%	94,4%
Credit loss level, %				
Lending to the public, opening balance	2,545	2,201	2,460	2,070
Lending to the public, closing balance	2,759	2,460	2,759	2,460
Average lending to the public (OB+CB)/2	2,652	2,331	2,610	2,265
Net credit losses	-23,6	-26,3	-81,9	-102,5
Average net credit losses 12 month	-94,4	-105,0	-81,9	-102,5
Credit loss level, %	3,6%	4,5%	3,1%	4,5%
Credit loss level Digital banking services, %				
Lending to the public, Digital banking services, opening balance	1,076	895	937	727
Lending to the public, Digital banking services, closing balance	1,060	937	1,060	937
Average lending to the public Digital banking services (OB+CB)/2	1,068	916	998	832
Net credit losses	-3,3	-5,9	-5,3	-22,2
Average net credit losses Digital banking services 12 month	-13,3	-23,7	-5,3	-22,2
Credit loss level Digital banking services, %	1,2%	2,6%	0,5%	2,7%
Credit loss level, % in relation to pay-after-delivery (PAD) volume				
Net credit losses, PAD	-20,3	-20,3	-76,6	-80,3
Pay-after-delivery (PAD) volume	2,211	2,061	7,125	6,221
Credit loss level, % in relation to pay-after-delivery (PAD) volume	0,9%	1,0%	1,1%	1,3%
Profit/loss for the period adjusted for Items affecting comparability				
Profit/loss for the period	-15,1	-15,5	-39,9	-67,0
Items adjusted for items affecting comparability	6,8	-	6,8	24,0
Tax effect on items affecting comparability	-1,4	-	-1,4	-5,1
Profit/loss for the period adjusted for items affecting comparability	-9,6	-15,5	-34,4	-48,1

RECONCILIATION TABLES cont.

SEK million (unless otherwise stated)	2021 Okt – Dec	2020 Okt – Dec	2021 Jan – Dec	2020 Jan – Dec
Net commission adjusted for items affecting comparability				
Commission income	44.2	42.1	174.7	171.4
Commission expenses	-0.8	-1.0	-3.7	-4.0
Net commission income	43.4	41.1	171.0	167.5
Items affecting comparability (accrual commission)	-	-	-	5.0
Net commission adjusted for items affecting comparability	43.4	41.1	171.0	172.5
Net interest income adjusted for items affecting comparability				
Net interest income	59.2	56.2	222.9	205.0
Items affecting comparability (accrual commission)	-	-	-	3.4
Net interest income adjusted for items affecting comparability	59.2	56.2	222.9	208.4
Operating profit/loss less depreciation/amortization of tangible and intangible assets				
Operating profit/loss	-18.4	-17.2	-48.3	-81.1
Depreciation/amortization of tangible and intangible assets	24.2	21.7	96.0	101.4
Operating profit/loss excl. depreciation/amortization of tangible and intangible assets	5.7	4.5	47.7	20.3
Operating profit/loss adjusted for items affecting comparability				
Operating profit/loss	-18.4	-17.2	-48.3	-81.1
Items affecting comparability	6.8	-	6.8	24.0
Operating profit/loss adjusted for items affecting comparability	-11.6	-17.2	-41.5	-57.1
Total operating income	106.1	99.8	403.5	379.7
of which Payment Solutions	86.9	83.4	330.7	318.8
of which Digital banking services	19.3	16.5	72.9	61.0
Total operating income adjusted for items affecting comparability				
Total operating income	106.1	99.8	403.5	379.7
Items affecting comparability (accrual commission)	-	-	-	8.4
Total operating income adjusted for items affecting comparability	106.1	99.8	403.5	388.1
Total operating income margin, %				
Lending to the public, opening balance	2,545	2,201	2,460	2,070
Lending to the public, closing balance	2,759	2,460	2,759	2,460
Average lending to the public (OB+CB)/2	2,652	2,331	2,610	2,265
Total operating income	106.1	99.8	403.5	379.7
Average profit/loss for the period 12 month	424.6	399.3	403.5	379.7
Total operating income margin, %	16.0%	17.1%	15.5%	16.8%
Lending to the public	2,759	2,460	2 759	2,460
of which Payment Solution	1,699	1,524	1,699	1,524
of which Digital banking services	1,060	937	1,060	937

The Board's assurance

The Board of Directors and the CEO give their assurance that the year-end report provides a fair summary of the operations, position, and earnings of Qliro AB and describes the material risks and uncertainties faced by the company and its subsidiaries.

The Board of Directors and the CEO attest that Qliro AB has made the disclosures required 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, Part Eight, in accordance with Qliro's formal policies and internal processes, systems and controls.

The Swedish version of this interim report has been reviewed by the company's auditors.

Stockholm, February 8th, 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

This is information that Qliro AB (Publ) is obliged to make public pursuant to EU Market Abuse Regulation. The information was submitted for publication, through the contact person set above, at 07.30 a.m CET on February 8th 2021 .

Webcast/Phone conference

Media, analysts and investors are invited to a conference call on the 8th of February at 10 am when acting CEO Jonas Arleback and CFO Robert Stambro will present the results.

After the presentation there will be a Q&A session:

Telephone:

Sweden: +46 8 505 583 56

UK: +44 333 300 90 31

US: +1 646 722 49 56

Link to the webcast: <https://tv.streamfabriken.com/qliro-q4-2021>

You can also follow the presentation on: qliro.com/en/investor-relations/presentations

FINANCIAL CALENDAR 2021

8 April 2022	Annual report and sustainability report are published
3 May 2022, 07.30 AM	Interim report January – March 2022
17 May 2022	Annual General Meeting in Stockholm
19 July 2022, 07.30 AM	Interim report January – June 2022
25 October 2022, 07.30 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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