

QLIRO

Interim report January – September 2020

Increased income and volume growth

July-September 2020 (July-September 2019)

- Total operating income increased by 13 percent to 97.1 MSEK (85.7)
- Operating profit was -9.5 MSEK (1.5)
- Net credit losses amounted to 23.3 MSEK (10.6)
- Net profit for the period was -8.6 MSEK (1.0)
- Earnings per share was -0.48 SEK (0.06)

January-September 2020 (January-September 2019)

- Total operating income increased by 9 percent to 279.9 MSEK (257.7)
- Total operating income adjusted for items affecting comparability increased by 12 per cent to 288.3 MSEK (257.7)
- Operating profit decreased to -63.9 MSEK (4.2), operating profit adjusted for items affecting comparability decreased to -39.9 MSEK (4.2)
- Net credit losses was 76.3 MSEK (41.7)
- Net profit for the period was -51.4 MSEK (3.0), net profit adjusted for items affecting comparability was -32.6 MSEK (3.0).
- Earnings per share was -2.86 SEK (0.17).

+13%

Income growth

+16%

Growth pay-after delivery volume

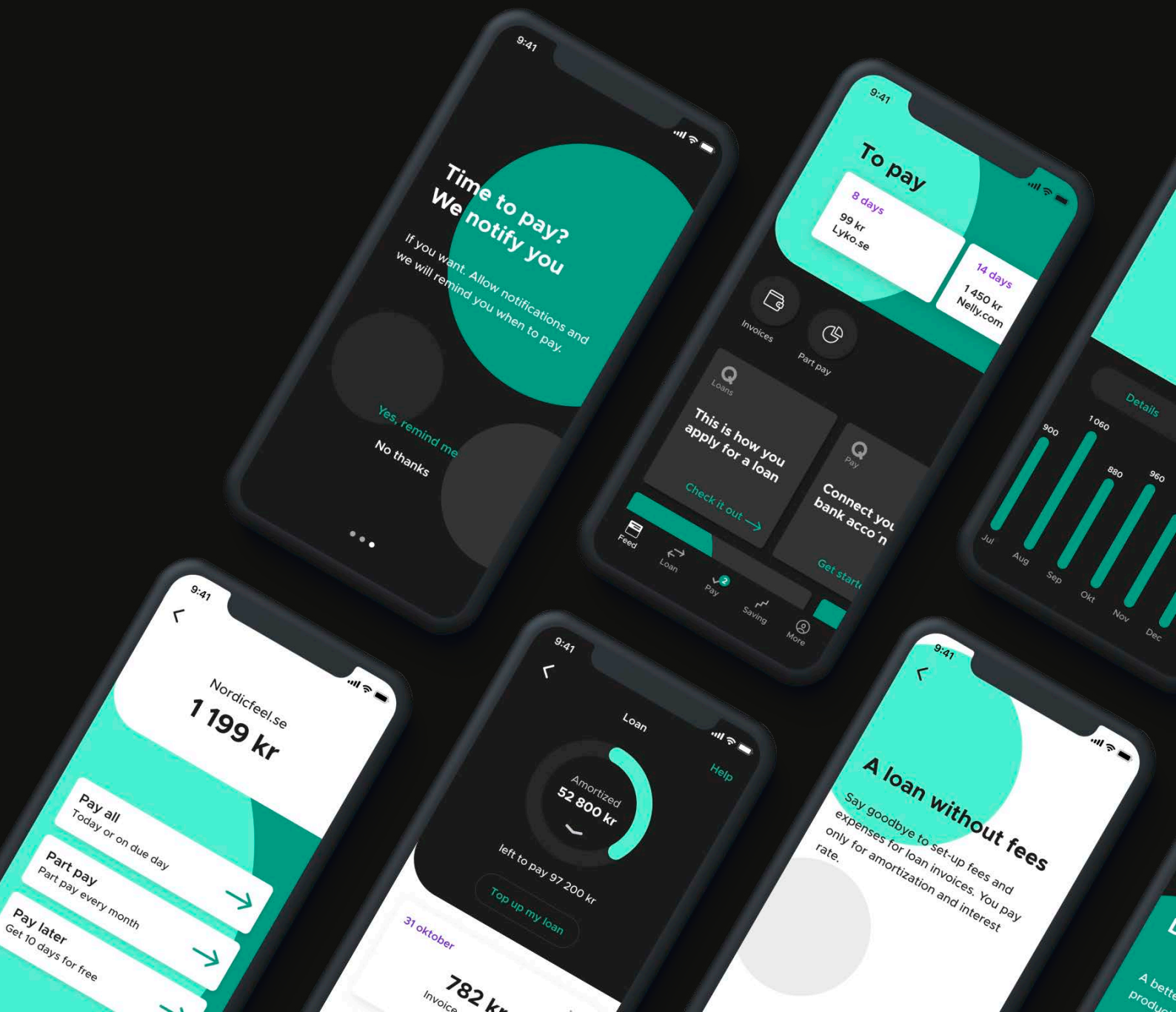
2.3 M

Number of active customers

+32%

No of transactions with Qliro products

» Qliro's 2.3 million customers has during the year interacted 8.3 million times in Qliro's digital platforms



Qliro – a growth company in a growth industry – digital payments for e-commerce



October 2 was a big day for the employees of Qliro, when our shares began trading on Nasdaq Stockholm. We have been preparing for a long time for a public listing and are proud today to present our first quarterly report as a publicly listed company.

Qliro – founded by e-merchants for e-merchants

Qliro was founded in 2014 by the Nordics' then largest e-merchant group, when there was a need for a checkout solution that simplified and improved the customer experience. A partner was needed who listened to e-merchants and further developed their products and services based on the needs of the merchants and consumers. It was with that purpose in mind that Qliro was founded by e-merchants for e-merchants, and this is deeply rooted in our DNA.

Qliro – a tech company with a clear position

Today Qliro is a fast-growing tech company offering payment solutions where the customer experience is critical to our strategy. We are an established payment partner for large e-merchants in Nordics and in the last year 2.3 million customers have used one or more of our products. We offer a complete checkout solution for e-merchants, including Qliro's pay-after-delivery ("PAD") products. What sets us apart from the competition?

Partnerships are critical – Since the start, we have focused on large e-merchants. Through a close collaboration with merchants we focus on developing their entire business.

Geography – Our geographical focus for e-commerce and digital payments is the Nordic countries.

Digital offering – We are born in the digital era without a history in brick-and-mortar. This means our checkout was built from the start for the Internet with a focus on simplicity and clarity for the customer and high conversion for the merchants. Our consumer offering is also fully digital, where we offer financial services through our app or online.

Consumer offering – Our large customer base consists of customers who have used our payment products through our merchants. Since customers interact in our platforms, we have access to large amounts of data and with that insight can offer our customers other relevant financial services. Today we offer savings accounts and personal loans in Sweden in our own digital platforms, which makes the marginal cost to reach the customer low. In addition to our own products, our strategy is to also offer relevant services through partners.

Strategy for growth

The last years we have focused on improving and further commercializing the offering for e-merchants and improving the customer experience. We have done so with a changed organization, by expanding our product to new e-commerce segments and by improving our digital platforms for consumers, which has produced results. In the last year, we have connected a number of new merchants such as NordicFeel/Eleven, Dramaten, Ginza, Inet and CAIA Cosmetics. We are growing together with our merchants and by adding more of them. Today we are the second

largest provider in Sweden in our primary segment, large e-merchants that sell physical goods, where we continue to see significant growth potential, but also in other e-commerce segments and the other Nordic countries,

We also have significant growth potential in our consumer offering with existing products and by adding more relevant services. Today income in the segment Digital banking services accounts for 16 percent of our total income, with income from personal loans providing stable earnings with well-controlled risk.

Result comment in the third quarter

Income increased by 13 percent and increased in both Payment solutions and Digital banking services. Income growth in Digital banking services remains high, but the growth rate has declined since the COVID-19 outbreak due to more conservative credit assessments and lower demand.

Expenses increased by 13 percent compared with the same quarter in 2019, but have stayed at a stable or lower level since the fourth quarter 2019.

Qliro's underlying credit quality is stable with no general negative effects on customers ability to repay debt. However, larger provisions are being allocated for expected credit losses due to the deteriorating macroeconomic situation since the COVID-19 outbreak, and due to slightly lower prices in the continuous sales of non-performing loans. In Payment solutions, credit losses are lower than 1.25 percent of pay-after-delivery volume, and in Digital banking services the credit loss level in relation to lending is less than 2.5 percent.

Qliro as an investment

We are a growth company in a growth industry, digital payments for e-commerce. We are a young company with a modern platform and a clear position, where more and more e-merchants see the value of our partnership model. In addition, we have a modern digital platform for financial services, where we can integrate partners that have relevant services

Since the start, large investments have been made in our platform, and in 2019 we increased our expense level due to investments to improve our offering, by building an organization for a listed environment and through faster depreciation of our investments. In 2020, expenses have been stable and the ambition is that income will grow faster going forward than expenses.

I would like to conclude by wishing a warm welcome to old shareholders in Qliro Group and new shareholders in Qliro.

Carolina Brandtman
CEO Qliro AB
Stockholm, October 21, 2020

Qliro in brief

Qliro AB (Qliro), founded in 2014, is a tech company, offering payment solutions for larger 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). In total Qliro has more than 2.3 million active customers and 46 connected e-merchants that uses Qliro’s payment solutions. The entire operations are managed from the Head Office in Stockholm with approximately 200 employees.

Qliro has historically been a part of the listed Qliro Group but after a decision by an EGM in Qliro Group in September 2020 the shares in Qliro was dividended to existing shareholders in Qliro Group. On October 2nd Qliro was listed at Nasdaq Stockholm with the ticker "QLIRO". The largest owners ahead of the dividend was Rite Ventures with a 25.8% ownership and Mandatum Life (Sampo) with 9.8% ownership.

Qliro’s business segments in brief

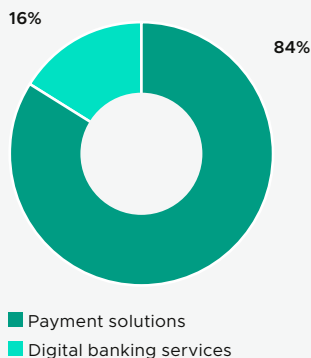
Payment solutions

Payment solutions are offered to large 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 more than 4.5 million unique customers, and the number of active customers in the last 12 months is just over 2.3 million.

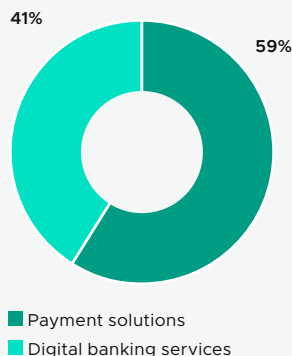
Digital banking services

Digital banking services mainly consist of personal loans in Sweden, which were launched at the end of 2017. The large database of payment solution 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 in Qliro’s own channels, including the app, website and by email to existing customers. Qliro also has as a strategy to add more financial services to the digital platform through outside collaborations. In 2020, Qliro added its first partnership in insurance together with the insuretech company Insurely.

Share of total income



Share of lending to the public



Key performance measures

On December 31, 2019, Qliro acquired a subsidiary and formed a Group. Since the Group was established in December 2019 and the differences in the income statement and balance sheet are minor, the financial performance measures and line items for the year 2020 in the interim report relate to the Group and comparative amounts for 2019 relate to the parent company (see page 18 for more information).

SEK million except where otherwise stated	Q3 2020	Q3 2019	% Δ	Jan – sep 2020	Jan – sep 2019	% Δ
Income statement						
Total operating income ¹	97.1	85.7	13%	279.9	257.7	9%
Total operating income adjusted for items affecting comparability ¹	97.1	85.7	13%	288.3	257.7	12%
Total expenses before credit losses	-83.3	-73.6	13%	-267.6	-211.9	26%
of which depreciation	-20.8	-17.5	19%	-79.7	-43.2	84%
Net credit losses	-23.3	-10.6	119%	-76.3	-41.7	83%
Operating profit/loss ¹	-9.5	1.5	–	-63.9	4.2	–
Operating profit/loss adjusted for items affecting comparability ¹	-9.5	1.5	–	-39.9	4.2	–
Profit/loss for the period	-8.6	1.0	–	-51.4	3.0	–
Profit/loss for the period adjusted for items affecting comparability	-8.6	1.0	–	-32.6	3.0	–
Earnings per share before and after dilution SEK ⁴	-0.48	0.06	–	-2.86	0.17	–
Balance sheet						
Lending to the public ¹	2,201	1,815	21%	2,201	1,815	21%
of which Payment solutions	1,305	1,161	12%	1,305	1,161	12%
of which Digital banking services	896	653	37%	896	653	37%
Deposits and borrowings from the public	1,958	1,523	29%	1,958	1,523	29%
Key figures						
Operating margin, % ¹	17.8%	19.7%	–	17.5%	20.8%	–
Credit loss level, (%) ¹	4.3%	2.4%	–	4.8%	3.4%	–
Cost/income ratio % ¹	85.8%	85.9%	–	95.6%	82.2%	–
Return on equity (%) ¹	neg.	0.8%	–	neg.	0.9%	–
CET 1 capital ratio, % ³	21.8%	16.9%	–	21.8%	16.9%	–
Total capital Ratio, % ³	27.2%	19.2%	–	27.2%	19.2%	–
Liquidity coverage ratio (LCR), % ³	554%	298%	–	554%	298%	–
Pay-after-delivery volume ²	1,466	1,261	16%	4,159	3,692	13%
Number of connected merchants ²	46	35	31%	46	35	31%
Average number of employees ²	198	206	-4%	197	198	-1%

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

2) Operating performance measures

3) Other key performance measures

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 THIRD QUARTER 2020 COMPARED WITH THE THIRD QUARTER 2019

Qliro's income is primarily generated through interest from pay-after-delivery products and personal loans as well as through various fees tied to customers choosing Qliro's payment methods.

Good income growth due to increased payment volumes and lending

Total operating income increased by 13 percent and amounted to SEK 97.1 million (85.7).

Net interest income increased by 20 percent to SEK 50.9 million (42.6), where interest income amounted to SEK 59.8 million (50.1) and interest expenses to SEK 8.9 million (7.6). The increase in net interest income is in line with the increase in net lending to the public. The increase of interest income was a result of growing business volumes and lending in both Payment solutions and Digital banking services. Interest expenses increased among other things due to higher interest expenses for the subordinated Tier 2 bonds issued in the third quarter 2019.

Net commission income increased by 4 percent to SEK 44.2 million (42.4). Increased business volumes contributed positively, while the fee restriction imposed in Finland in 2019 had a negative impact of approximately SEK 2.6 million.

Net gains and losses on financial transactions amounted to SEK -0.1 million (0.0).

Other income increased to SEK 2.0 million (0.7), where income from other payment methods in Qliro's checkout solutions increased as more merchants signed up for Qliro's comprehensive payment solution, where all the payment methods are integrated.

Stable expense level during the year but increased expenses compared with 2019

Total expenses increased by 13 percent to SEK 83.3 million (73.6). Underlying expenses have been stable since the fourth quarter 2019. Administrative expenses, primarily consisting of staff and IT expenses, increased by 10 percent to SEK 54.4 million (49.3). The increase was mainly driven by increased staff expenses, but also increased expenses for IT as well as postage and printing. The increase in staff expenses is partly due to the investments made in the organization in 2019, but also a change in the accrual of the vacation reserve, because of which expenses in 2020 are more evenly divided between quarters. Administrative expenses have been stable during the year.

Other expenses increased by 20 percent and amounted to SEK 8.1 million (6.7). Other expenses contain a large element of variable expenses, which fluctuate by business volume, such as credit inquiry expenses.

Depreciation, amortization and impairment increased to SEK 20.8 million (17.5) and mainly consisted of amortization of previously capitalized development expenses related to payment solutions to e-merchants, but also consumer products, the website and app solutions. The increases were mainly due to the completion of more projects in 2019, which then started being amortized. Amortization was lower in the third quarter than in the first two quarters due to the impairment recognized in the second quarter (see page 7 for more information).

Higher recognized credit losses

Total credit losses amounted to SEK 23.3 million (10.6) and the net loan loss level was 4.3 percent (2.4 percent) of average lending. Recognized credit losses increased in absolute terms, partly due to growing lending and higher business volumes. Underlying credit quality remained stable and no negative impact on customers' overall solvency due to COVID-19 was noted in the quarter. In accordance with IFRS 9, provisions for expected credit losses increased by approximately another SEK 1.4 million (in total SEK 8.9 million in 2020) due to the deteriorating macroeconomic situation caused by COVID-19. In a historical perspective the credit loss level for the quarter was in line or lower than previous quarters in 2019-2020 with the exemption of the first and third quarters of 2019.

Within Payment solutions, credit losses increased in relation to PAD volume to 1.2 percent (0.6) and within the segment Digital banking services the net loan loss level in relation to average lending was stable at 2.4 percent (2.3 percent). In the third quarter 2019, an effect from the sale of past due receivables was recognized, which reduced credit losses by approximately SEK 2 million within Payment Solutions. The credit loss level in Payment Solutions was unusually low in the third quarter of 2019 due to different factors including the implementation of continuous sale agreements of non-performing loans in Norway which lowered credit losses with approximately SEK 2 millions.

Profit decreased due to higher expenses and higher recognized credit losses

Operating income decreased to SEK -9.5 million (1.5) and net profit for the period amounted to SEK -8.6 million (1.0).

JANUARY-SEPTEMBER 2020 COMPARED WITH JANUARY-SEPTEMBER 2019

Items affecting comparability

In the second quarter 2020, two types of affecting comparability were reported. Items affecting comparability within the segment Payment solutions amounted to SEK 8.4 million and arose since Qliro brought forward the date for recognizing commissions to merchants so that it coincides with the date for recognizing income from the consumers. This affected net interest income negatively by SEK 3.4 million and net commission income negatively by SEK 5.0 million. The effect comes from a delay in accrual, making the second quarter incomparable with other periods, whereas previous and future quarters will remain 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 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, the items affecting comparability reduced operating income by SEK 24 million and net income for the period by SEK 18.9 million.

Underlying income growth due to increased payment volumes and lending

Total operating income increased by 9 percent to SEK 279.9 million (257.7). Total operating income adjusted for items affecting comparability (described above) increased by 12 percent to SEK 289.3 million (257.7).

Net interest income increased by 22 percent to SEK 148.9 million (122.0), where interest income amounted to SEK 175.3 million (142.1) and interest expenses to SEK 26.4 million (20.2). Adjusted for the item affecting comparability, net interest income increased by 25 percent to SEK 152.3 million (122.0), which is slightly more than lending growth, which was 21 percent. The increase in interest income was a result of growing business volumes and lending within both Payment solutions and Digital banking services. Interest expenses also increased, due to growing lending and increased interest expenses for the subordinated Tier 2 bond of SEK 100 million issued in the third quarter 2019.

Net commission income decreased by 6 percent to SEK 126.4 million (133.9). Net commission income adjusted for the item affecting comparability decreased by 2 percent to SEK 131.4 million (133.9). The fee restriction imposed in Finland in 2019 reduced net commission income by approximately SEK 9 million, while increased business volumes had a positive impact.

Net gains and losses on financial transactions amounted to SEK 0.1 million (0) and other income increased to SEK 4.6 million (1.9), where income from other payment methods in Qliro's checkout solutions increased as more merchants signed up for Qliro's comprehensive solution, where all the payment methods are integrated.

Increased depreciation contributed to increased expenses

Total expenses increased by 26 percent to SEK 267.6 million (211.9), partly due to the SEK 15.6 million impairment recognized in the second quarter 2020, but also due to investments and growth-related initiatives as well as generally higher depreciation and amortization.

Administrative expenses, primarily consisting of employee benefits and IT expenses, increased by 10 percent to SEK 163.4 million (148.2). The increase was mainly driven by increased IT and employee benefit expenses. Other expenses, which to a large extent are variable, amounted to SEK 24.4 million (20.5).

Depreciation, amortization and impairment increased to SEK 79.7 million (43.2) and mainly consisted of amortization of previously capitalized development expenses related to payment solutions, consumer products, the website and app solutions. In the second quarter 2020, assets valued at SEK 15.6 million were impaired, as described above. The increase in depreciations were mainly due to the completion of more projects in 2019, which then started being amortized and the impairment in Q2 - described above.

Stable credit quality but increased provisions due to deteriorating market conditions

Total credit losses amounted to SEK 76.3 million (41.7) and the net loan loss level was 4.8 percent (3.4 percent) of average lending. Underlying credit quality remained stable and no negative effects on customers' solvency were noted during 2020. In accordance with IFRS 9, provisions for expected credit losses increased by SEK 8.9 million due to the deteriorating macroeconomic situation caused by COVID-19. To adapt to changing market prices, the provisions and impairments increased by approximately SEK 5 million for a portfolio of past due receivables that are not covered by the ongoing sales agreements within the segment Payment solutions.

Within the segment Payment solutions, credit losses in relation to PAD volume increased to 1.4 percent (0.9 percent), where a large part of the increase relates to the increased provisions and impairments, as described above. Within the segment Digital banking services, the net loan loss level in relation to average lending was stable at 2.7 percent (2.7 percent) despite increased provisions due to COVID-19.

Profit decreased due to items affecting comparability, increased depreciation and higher credit losses

Operating income decreased to SEK -63.9 million (4.2). Operating income adjusted for items affecting comparability amounted to SEK -39.9 million (4.2 million),

Net profit for the period amounted to SEK -51.4 million (3.0), while net profit for the period adjusted for items affecting comparability amounted to SEK -32.6 million (3.0).

Business segments

PAYMENT SOLUTIONS

Comparisons with the third quarter 2019 unless otherwise indicated. Since the Group was established in December 2019, the financial performance measures for 2020 relate to the Group and comparative amounts for 2019 refer to the parent company.

Strong growth in the number of merchants

Qliro offers digital payment solutions to large e-merchants in the Nordics. Growth in Payment solutions is driven by offering deferred payment for purchases (pay-after-delivery PAD). This grows the loan book, which generates income that is shared with the merchants. 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 months from the time a merchant signs a contract and becomes connected until it generates substantial income. The payment solutions are gradually adapted to consumer and merchant demand as well as legal requirements. On July 1, 2020, new regulations were introduced in Sweden on how credit alternatives are shown at checkout. The company has adapted its offering to continue to provide a convenient experience for consumers and merchants, and there has not been a noticeable difference in consumer preferences with regard to payment methods or conversion. In the third quarter, approximately 83 percent (78) of business volume was related to Sweden. The number of connected merchants increased to 46 (35).

Growth in volumes and lending increased income

PAD volume increased in the third quarter by 16 percent to SEK 1,466 million. No negative effects from COVID-19 were noticeable in business volumes. The number of transactions increased by 32 percent to 1.6 million. The main reason why the number of transactions is increasing faster than the volume was that collaboration with a merchant with a large business volume but relatively few transactions was terminated in the first quarter 2020 and more merchants with lower average purchases but more transactions have been added.

Growth in PAD volumes is driven by previously connected merchants that increased their sales as well as the increased number of merchants that use Qliro as a payment partner. Volumes from merchants outside Qliro Group (Nelly and CDON) increased by 25 percent and represented 56 percent (52) of total business volume. Lending, which consists of interest-bearing lending such as part payments and non-interest-bearing lending such as invoices or "Buy Now Pay Later" campaigns, increased by 12 percent to SEK 1,305 million.

Total operating income increased in the third quarter 2020 by 7 percent to SEK 81.3 million (75.7). Net interest income increased by 8 percent as a result of increased interest-bearing lending. Net commission income increased by 4 percent, where increased business volume contributed positively, while the fee restriction imposed in Finland in the third quarter 2019 reduced income by approximately SEK 2.6 million.

Stable credit quality but effects on expected credit losses due to the macroeconomic situation

Credit losses amounted to SEK 18.0 million (7.2) in the third quarter 2020. In relation to PAD volume, credit losses amounted to 1.2 percent (0.6 percent). No general impact on solvency was noted in the quarter and underlying credit quality has been stable. The deteriorating macroeconomic situation negatively affected credit losses by SEK 0.9 million in the third quarter due to increased provisions for expected credit losses in accordance with IFRS 9. In the third quarter 2019, credit losses was unusually low due to different factors among other things due to the implementation of continuous sales agreements for non-performing loans in Norway which lowered credit losses with just over SEK 2 million.

PAYMENT SOLUTIONS

SEK million except where otherwise stated	Q3 2020	Q3 2019	% Δ	Jan - sep 2020	Jan - sep 2019	% Δ
Net interest income	35.2	32.7	8%	104.7	98.8	6%
Net commission income	44.1	42.3	4%	126.0	133.6	-6%
Total operating income	81.3	75.7	7%	235.4	234.3	0%
Net credit losses	18.0	7.2	149%	60.0	31.7	89%
Total operating income less credit losses	63.3	68.4	-8%	175.4	202.6	-13%
Lending to the public	1,305	1,161	12%	1,305	1,161	12%
Pay-after delivery (PAD), volume	1,466	1,261	16%	4,159	3,692	13%
Pay-after delivery (PAD), no of transactions, thousands	1,630	1,234	32%	4,733	3,715	27%
Credit loss level, %, in relation to PAD volume	1.2%	0.6%	114%	1.4%	0.9%	68%

84%

Share of total operating income

59%

Share of lending to the public

+7%

Income growth

+16%

Growth in PAD volume

DIGITAL BANKING SERVICES

Comparisons with the third quarter 2019 unless otherwise indicated. Since the Group was established in December 2019, the financial performance measures for 2020 relate to the Group and comparative amounts for 2019 refer to the parent company.

Broadening of the consumer offering and increased digital interaction

Qliro drives growth in Digital banking services through cost-effective marketing in its own channels to the 2.3 million consumers (of whom 1.8 million in Sweden) who in the last year have used Qliro's products. In the third quarter, just over 100,000 new customers were added, partly through the connection of new merchants.

Qliro offers personal loans and savings accounts to consumers in Sweden, but intends to continuously broaden its offering of financial services, partly in partnership with other financial firms. Qliro mainly interacts with customers in its own digital platforms, and in February we launched a new app focused on the customer experience. In the new platform, Qliro can easily integrate partners and in that way offer a broader range of products and services to customers. In the first half of 2020, two new services were launched in the app in partnership with the insurtech company Insurely. These services provide consumers with a better overview of their insurance policies as well as access to a digital advice service that helps consumers understand their insurance needs. Qliro's app makes it easy to manage payments, loans and savings. The app has been one of the most downloaded in the financial category in Sweden in 2020 with an average rating of 4.4 of 5 in the App Store. The number of logins in the app has increased by 33 percent during the year to 5.3 million and total logins in the digital platforms have totaled 8.3 million during the year.

Strong growth in lending increased income

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. The 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.

Lending increased by 37 percent to SEK 896 million (653). Growth in 2020 has been lower since the COVID-19 outbreak due to tighter lending, slightly less marketing and lower demand. The annualized growth rate in the third quarter was 21 percent. The increased lending and improved margins contributed to an increase in total operating income of 58 percent to SEK 15.8 million (10.0). The margin on new loans remained higher than the average margin in the loan portfolio.

Stable net loan loss level, no general negative effects on customer ability to pay due to COVID-19

The net loan loss level was stable at 2.4 percent (2.3 percent). The deteriorating macroeconomic situation due to COVID-19 negatively affected credit losses by approximately SEK 0.5 million in the third quarter (SEK 3.7 million for the period January-September) due to increased provisions for expected credit losses in accordance with IFRS 9. Underlying credit quality was stable and no negative effects on customer solvency were noted due to COVID-19. For the period January-September 2020, a stable net loan loss level was reported compared with 2019 despite the increased provisions due to COVID-19 as described above.

DIGITAL BANKING SERVICES

SEK million except where otherwise stated	Q3 2020	Q3 2019	% Δ	Jan - sep 2020	Jan - jun 2019	% Δ
Net interest income	15.7	9.9	59%	44.2	23.2	91%
Total operating income	15.8	10.0	58%	44.5	23.4	90%
Net credit losses	5.3	3.4	55%	16.3	10.0	63%
Total operating income less credit losses	10.5	6.6	60%	28.3	13.5	110%
Lending to the public	896	653	37%	896	653	37%
Credit loss level, %, of average lending to the public	2.4%	2.3%	5%	2.7%	2.7%	-2%

16%

Share of total operating income

41%

Share of lending to the public

+58%

Income growth

+37%

Lending growth

Capital, funding and liquidity

CAPITAL

Qliro AB's own funds (see Note 9 Capital adequacy) increased to SEK 509 million (384 as of December 31, 2019). In the third quarter, an unconditional shareholder's contribution of SEK 125 million was allocated by Qliro Group to Qliro AB after a directed share issue was carried out in Qliro Group in the quarter. In addition to the Common Equity Tier 1 capital, the capital base consists of SEK 100 million in subordinated Tier 2 capital, which was issued in 2019. The risk exposure amount decreased to SEK 1,872 million (2,154 as of December 31, 2019) due to a change in method used to calculate the capital requirement for operational risks that the Swedish Financial Supervisory Authority approved in the second quarter 2020.

Qliro is well-capitalized and the total capital ratio was 27.2 percent (17.8 as of December 31, 2019), compared with the regulatory requirement of 11.9 percent, and the Common Equity Tier 1 capital ratio was 21.8 percent (15.5 as of December 31, 2019), compared with the regulatory requirement of 8.0 percent. Since the beginning of the year, the total capital requirement has decreased by just over SEK 100 million due to the changed method used to calculate the capital requirement for operational risks, the reduced countercyclical buffer requirement in the Nordic countries and other capital efficiencies.

Funding

In addition to equity, lending to the public was funded by SEK 1,958 million (1,819 as of December 31, 2019) in deposits from the public (savings accounts) in Sweden and Germany,

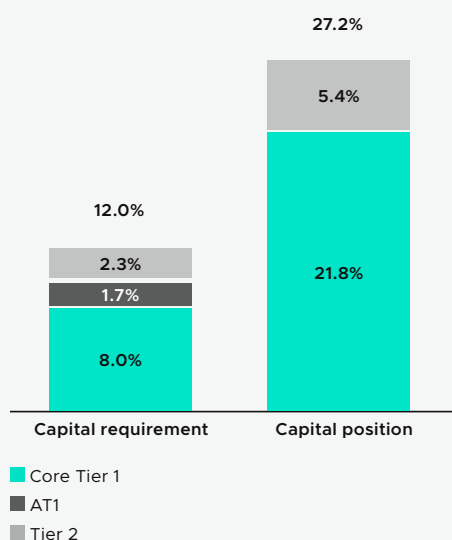
and SEK 128 million (292 as of December 31, 2019) through a secured loan facility. The secured loan facility enables Qliro to match currencies between the asset and liability sides of the balance sheet.

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 September 30 was 0.8 percent, and one account with a 1-year fixed interest rate that at the end of the period was 1.25 percent. During the year, funding was further diversified through the launch of a deposit offering in EURO for private individuals in Germany in partnership with the platform Deposit Solutions. Besides contributing to diversification, the deposit offering is expected to reduce funding expenses. As of September 30, deposits in Germany amounted to SEK 134 million.

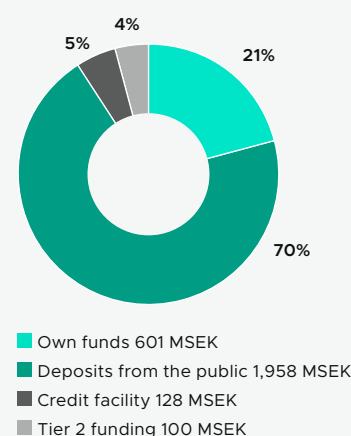
Liquidity

Qliro has solid liquidity and as of September 30 the liquidity portfolio amounted to SEK 436 million. 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 50 days. The Liquidity Coverage Ratio (LCR) was 554 percent as of September 30, compared with the legal requirement of 100 percent

Capitalisation, %



Funding mix, %



Other information

OTHER EVENTS DURING THE QUARTER

On July 14, it was announced that Qliro Group removed the financial targets and previous guidance for 2020 for its then subsidiaries. Qliro's previous targets had been set based on a planned IPO with a capital infusion, and was before COVID-19 affected the size of credit loss provisions.

The number of shares and share capital in the company were changed after the resolution of the shareholders' meetings in August.

Johnny Sällberg was recruited as new Chief Commercial Officer and succeeded David Lundqvist on October 9.

In September 2020, Andreas Bernström resigned from the Board of Directors due to the completion of Kinnevik's sale of the shares in Qliro Group to Rite Ventures.

On September 18, Qliro was approved for listing on Nasdaq Stockholm and on September 28 an Extraordinary General Meeting of Qliro Group resolved to distribute the shares in Qliro to existing shareholders in Qliro Group.

On September 30, the consolidated situation, which consisted of Qliro AB and Qliro Group, was dissolved due to the distribution of Qliro's shares to existing shareholders in Qliro Group.

SIGNIFICANT EVENTS AFTER END OF THE PERIOD

From October new rules have been implemented in Norway regarding which fees companies are allowed to charge customers that are delayed with payments. The change is expected to have somewhat negative effect on income within Payment Solutions.

2 October 2020 was the first day of trading in Qliro's shares at Nasdaq Stockholm, under the ticker symbol "Qliro".

EFFECTS OF COVID-19 PANDEMIC

Qliro's operations have been affected in several ways by the ongoing COVID-19 pandemic. Future effects of COVID-19 are difficult to predict, which has increased uncertainty in future outlooks.

Since the COVID-19 outbreak, the majority of Qliro's employees have worked from home.

Due to COVID-19, Qliro has become more restrictive in its lending. Growth in Digital banking services has been limited by tighter lending and lower demand. Within Payment solutions, some e-merchants have seen lower and others higher volumes, and it is too early to estimate the long-term impact. In addition, provisions for credit losses increased by SEK 1.4 million in the quarter (SEK 8.9 million in the period January-September 2020) due to assumptions of a declining future economy according to IFRS 9. Qliro's credit losses have also been negatively affected by the lower prices received on sales of past due receivables, partly as a result of COVID-19 and its expected effects on the economy. Qliro has not seen a widespread decline in solvency among consumers due to COVID-19.

The deteriorating macroeconomic outlook has reduced the countercyclical buffer requirement in the Nordic countries, which has lowered Qliro's capital requirement by SEK 48 million.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are of the same character as described in the annual report 2019, with the exception of transactions with Qliro Group that are no longer considered to be related parties due to Qliro AB's separate listing on Nasdaq Stockholm.

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 prospectus, dated September 28, 2020, which was released before Qliro's shares were listed for trading on Nasdaq Stockholm, includes 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.

FINANCIAL REPORTS

Consolidated income statement

SEK million	Note	2020 Jul – Sep	2019 ¹ Jul – Sep	2020 Jan – Sep	2019 ¹ Jan – Sep
Interest income		59.8	–	175.3	–
Interest expenses		-8.9	–	-26.4	–
Net interest income	2	50.9	–	148.9	–
Commission income	3	45.0	–	129.3	–
Commission expenses	3	-0.8	–	-2.9	–
Net profit/loss from financial transactions		-0.1	–	0.1	–
Other operating income		2.0	–	4.6	–
Total operating income		97.1	–	279.9	–
General administrative expenses		-54.4	–	-163.4	–
Depreciation/amortization of tangible and intangible assets		-20.8	–	-79.7	–
Other operating expenses		-8.1	–	-24.4	–
Total expenses before credit losses		-83.3	–	-267.6	–
Profit/loss before credit losses		13.8	–	12.3	–
Net credit losses	4	-23.3	–	-76.3	–
Operating profit/loss		-9.5	–	-63.9	–
Income tax expense		0.9	–	12.5	–
Profit/loss for the period		-8.6	–	-51.4	–
Earnings per share before and after dilution		-0.48	–	-2.86	–

Consolidated statement of comprehensive income

SEK million	Note	2020 Jul – Sep	2019 ¹ Jul – Sep	2020 Jan – Sep	2019 ¹ Jan – Sep
Profit/loss for the period		-8.6	–	-51.4	–
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	–	0.1	–
Translation differences from foreign operations		–	–	-1.1	–
Translation differences from foreign operations reclassified to the income statement		–	–	0.5	–
Total other comprehensive income for the period		-8,6	–	-0.5	–
Total profit or loss and other comprehensive income		-8,6	–	-52,0	–

1) As the group was formed 2019-12-31 there is no relevant information to report from the consolidated income statement 2019.

Consolidated balance sheet

SEK million	Note	2020-09-30	2019-09-30	2019-12-31
Assets				
Treasury bills eligible for refinancing etc		–	–	25.0
Lending to credit institutions		60.8	–	240.2
Lending to the public	5	2,200.7	–	2,070.4
Bonds and other fixed-income securities		375.1	–	230.0
Intangible assets		165.1	–	178.5
Tangible assets		32.1	–	41.0
Deferred tax assets		27.2	–	14.7
Other assets		44.9	–	43.1
Prepaid expenses and accrued income		20.1	–	35.7
Total assets		2,926.0	–	2,878.5
Liabilities and Equity				
Liabilities				
Liabilities to credit institutions		127.7	–	292.4
Deposits and borrowings from the public	6	1,958.5	–	1 819.1
Other liabilities		84.5	–	103.3
Accrued expenses and deferred income		54.3	–	35.8
Subordinated debt		100.0	–	100.0
Total liabilities		2,325.0	–	2,350.6
Equity				
Share capital		50.3	–	50.1
Reserves		0.0	–	0.5
Retained profit or loss		602.1	–	477.4
Profit/loss for the period		-51.4	–	–
Total equity		601.0	–	528.0
Total liabilities and equity		2,926.0	–	2,878.5

Consolidated statement of changes in equity

SEK million	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Opening balance	484.6	–	528.0	–
Profit/loss for the period	-8.6	–	-51.4	–
Total other comprehensive income for the period	0.0	–	-0.5	–
Shareholder's contribution	125.0	–	125.0	–
Closing balance	601.0	–	601.0	–

Consolidated cash flow statement

SEK million	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Operating activities				
Operating profit/loss	-9.5	-	-63.9	-
Adjustments	44.4	-	165.3	-
Changes in the assets and liabilities of operating activities	-144.9	-	-343.9	-
Cash flow from operating activities	-110.0	-	-242.5	-
Investing activities				
Purchase of tangible assets	-2.7	-	-3.0	-
Purchase of intangible assets	-13.6	-	-52.7	-
Cash flow from investing activities	-16.3	-	-55.8	-
Financing activities				
Shareholders' contributions received	125.0	-	125.0	-
Amortization lease	-2.0	-	-6.1	-
Cash flow from financing activities	123.0	-	118.9	-
Cash flow for the period	-3.3	-	-179.4	-
Cash and cash equivalents at beginning of the period	64.1	-	240.2	-
Exchange differences in cash and cash equivalents	0.0	-	0.1	-
Change	-3.3	-	-179.4	-
Cash and cash equivalents at the end of the period	60.8	-	60.8	-

Parent company's income statement

SEK million	Note	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Interest income		59.8	50.1	175.3	142.1
Interest expenses		-8.9	-7.6	-26.2	-20.2
Net interest income	2	51.0	42.6	149.0	122.0
Commission income	3	45.0	43.3	129.3	136.8
Commission expenses	3	-0.8	-0.9	-2.9	-2.9
Net profit/loss from financial transactions		-0.1	-0.0	0.1	0.0
Other operating income		2.0	0.7	4.6	1.9
Total operating income		97.1	85.7	280.1	257.7
General administrative expenses		-56.5	-49.3	-169.6	-148.2
Depreciation/amortization of tangible and intangible assets		-18.7	-17.5	-73.5	-43.2
Other operating expenses		-8.1	-6.7	-24.4	-20.5
Total expenses before credit losses		-83.3	-73.6	-267.5	-211.9
Profit/loss before credit losses		13.9	12.1	12.6	45.8
Net credit losses	4	-23.3	-10.6	-76.3	-41.7
Operating profit/loss		-9.4	1.5	-63.6	4.2
Income tax expense		0.9	-0.5	12.5	-1.1
Profit/loss for the period		-8.5	1.0	-51.2	3.0
Earnings per share before and after dilution		-0.47	0.06	-2.85	0.17

Parent company's statement of comprehensive income

SEK million	Note	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Profit/loss for the period		-8.5	1.0	-51.2	3.0
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	0.1	0.0
Translation differences from foreign operations		-	0.0	-1.1	0.3
Translation differences from foreign operations reclassified to the income statement		-	-	0.5	-
Total other comprehensive income for the period		0.0	0.0	-0.5	0.3
Total profit or loss and other comprehensive income		-8.5	1.0	-51.7	3.3

Parent company's balance sheet

SEK million	Note	2020-09-30	2019-09-30	2019-12-31
Assets				
Treasury bills eligible for refinancing etc		–	25.1	25.0
Lending to credit institutions		60.8	175.2	240.2
Lending to the public	5	2,200.7	1,814.6	2,070.4
Bonds and other fixed-income securities		375.1	225.0	230.0
Shares and units		0.1	0.0	0.1
Intangible assets		165.1	173.1	178.5
Tangible assets		15.5	18.0	19.9
Deferred tax assets		27.2	8.5	14.7
Other assets		44.9	42.6	43.0
Prepaid expenses and accrued income		20.1	20.9	37.7
Total assets		2,909.4	2,502.9	2,859.4
Liabilities and Equity				
Liabilities				
Liabilities to credit institutions		127.7	254.7	292.4
Deposits and borrowings from the public	6	1,958.5	1,522.6	1,819.1
Other liabilities		67.6	82.7	84.2
Accrued expenses and deferred income		54.3	31.1	35.8
Subordinated debt		100.0	100.0	100.0
Total liabilities		2,308.1	1,991.1	2,331.5
Equity				
Restricted equity				
Share capital		50.3	50.1	50.1
Reserve for development costs		118.5	114.4	124.2
Total restricted equity		168.8	164.5	174.2
Non-restricted equity				
Reserves		0.0	0.5	0.5
Retained profit or loss		483.6	343.8	377.0
Profit/loss for the period		-51.2	3.0	-23.8
Total non-restricted equity		432.4	347.3	353.7
Total equity		601.3	511.8	528.0
Total liabilities and equity		2,909.4	2,502.9	2,859.4

Parent company statement of changes in equity

SEK million	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Opening balance	484.8	495.8	528.0	413.5
Profit/loss for the period	-8.5	1.0	-51.2	3.0
Total other comprehensive income for the period	0.0	0.0	-0.5	0.3
Shareholder's contribution	125.0	15.0	125.0	95.0
Closing balance	601.3	511.8	601.3	511.8

Parent company's cash flow statement

SEK million	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Operating activities				
Operating profit/loss	-9.4	1.5	-63.6	4.2
Adjustments	42.3	29.5	158.9	88.9
Changes in the assets and liabilities of operating activities	-144.9	-9.4	-344.0	-64.3
Cash flow from operating activities	-112.1	21.6	-248.7	28.8
Investing activities				
Purchase of tangible assets	-2.7	-1.4	-3.0	-10.1
Purchase of intangible assets	-13.6	-18.8	-52.7	-60.2
Cash flow from investing activities	-16.3	-20.1	-55.8	-70.4
Financing activities				
Shareholders' contributions received	125.0	15.0	125.0	95.0
Subordinated debt	-	100.0	-	100.0
Cash flow from financing activities	125.0	115.0	125.0	195.0
Cash flow for the period	-3.3	116.4	-179.5	153.4
Cash and cash equivalents at beginning of the period	64.1	58.8	240.2	21.8
Exchange differences in cash and cash equivalents	0.0	0.0	0.1	0.0
Change	-3.3	116.4	-179.5	153.4
Cash and cash equivalents at the end of the period	60.8	175.2	60.8	175.2

NOTES

Note 1

Accounting policies

The interim report for Qliro AB covers the period January 1 to September 30, 2020. Qliro has its registered address in Stockholm and its registration number is 556962-2441.

The interim 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 interim report is prepared in accordance with the same accountings policies and calculation methods applied in the annual report for 2019.

In order to more precisely 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, which 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 for previous periods. If it were modified, the second quarter would not be comparable with other periods, whereas previous and future quarters have remained comparable over time.

As of December 31, 2019, Qliro AB acquired a subsidiary, Goldcup 19901, the name of which is being changed to Qliro Incitement AB, and thereby formed a group. The difference between a parent company and a group is that IFRS 16 Leases is applied in the consolidated accounts. Qliro has chosen in its key performance measures and in earnings comparisons to compare the Group as of September 30, 2019, since the difference between the Group's profit and the parent company's is only SEK 0.2 million. 2020 with the parent company as of September 30, 2019, since the difference between the Group's profit and the parent company's is only SEK 0.2 million.

Note 2. Net interest income

SEK million	Group			
	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Interest income				
Lending to credit institutions	–	–	0.0	–
Lending to the public	59.8	–	175.1	–
Interest-bearing securities	0.1	–	0.2	–
Total interest income	59.8	–	175.3	–
Interest expenses				
Liabilities to credit institutions	-2.5	–	-8.1	–
Deposits to the general public	-4.6	–	-12.9	–
Interest-bearing securities	–	–	0.0	–
Subordinated debt	-1.8	–	-5.2	–
Lease liabilities	-0.1	–	-0.2	–
Other interest expenses	–	–	–	–
Total interest expenses	-8.9	–	-26.4	–
Net interest income	50.9	–	148.9	–

SEK million	Parent company			
	2020 Jul – Sep	2019 Jul – Sep	2020 Jan – Sep	2019 Jan – Sep
Interest income				
Lending to credit institutions	0.0	0.0	0.0	0.0
Lending to the public	59.8	49.9	175.1	141.1
Interest-bearing securities	0.1	0.2	0.2	1.1
Total interest income	59.8	50.1	175.3	142.1
Interest expenses				
Liabilities to credit institutions	-2.5	-3.0	-8.1	-8.7
Deposits to the general public	-4.6	-3.8	-12.9	-9.1
Interest-bearing securities	–	-0.3	0.0	-1.3
Subordinated debt	-1.8	-0.5	-5.2	-0.5
Lease liabilities	–	–	–	–
Other interest expenses	–	–	–	-0.5
Total interest expenses	-8.9	-7.6	-26.2	-20.2
Net interest income	51.0	42.6	149.0	122.0

Note 3. Net commission income

SEK million	Group			
	2020 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep
Commission income				
Lending commissions	38.0	-	109.3	-
Other commission income	7.0	-	20.0	-
Total commission income	45.0	-	129.3	-
Commission expenses				
Other commission expenses	-0.8	-	-2.9	-
Total commission expenses	-0.8	-	-2.9	-
Net commission income	44.2	-	126.4	-

SEK million	Parent company			
	2020 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep
Commission income				
Lending commissions	38.0	38.2	109.3	117.9
Other commission income	7.0	5.1	20.0	18.8
Total commission income	45.0	43.3	129.3	136.8
Commission expenses				
Other commission expenses	-0.8	-0.9	-2.9	-2.9
Total commission expenses	-0.8	-0.9	-2.9	-2.9
Net commission income	44.2	42.4	126.4	133.9

Note 4. Net credit losses

SEK million	Group / Parent company			
	2020 Jul - Sep	2019 Jul - Sep	2020 Jan - Sep	2019 Jan - Sep
Expected credit losses on items in the balance sheet				
Net loss provision for the period, Stage 1	-0.3	-1.0	-4.8	-1.7
Net loss provision for the period, Stage 2	-4.4	1.7	-8.5	0.5
Total net credit losses non-credit-impaired lending	-4.7	0.8	-13.3	-1.2
Net loss provision for the period, Stage 3	-2.8	-1.3	-9.8	-11.9
Realized net credit losses for the period	-15.8	-10.1	-53.2	-28.5
Total net credit losses credit-impaired lending	-18.6	-11.4	-62.9	-40.5
Total net credit losses	-23.3	-10.6	-76.3	-41.7
Loss provisions on loans measured at amortized costs	-123.1	-109.9	-123.1	-109.9

Note 5. Lending to the public

Lending to the public 2020-09-30

SEK million	Group / Parent company			Total
	Stage 1	Stage 2	Stage 3	
Loans receivable	1,707.3	444.6	171.9	2,323.8
Provisions for expected credit losses	-17.2	-42.2	-63.8	-123.1
Net lending to the public	1,690.1	402.4	108.2	2,200.7

Lending to the public 2019-12-31

SEK million	Stage 1	Stage 2	Stage 3	Total
Loans receivable	1,545.5	470.9	155.2	2,171.6
Provisions for expected credit losses	-12.4	-34.0	-54.8	-101.2
Net lending to the public	1,533.1	436.9	100.4	2,070.4

Lending to the public 2019-09-30

SEK million	Stage 1	Stage 2	Stage 3	Total
Loans receivable	1,372.7	365.8	185.9	1,924.5
Provisions for expected credit losses	-10.3	-26.2	-73.5	-109.9
Net lending to the public	1,362.5	339.7	112.4	1,814.6

Loans with modified conditions, where the loan is not derecognised from the balance sheet and replaced with new loan, amounted September 30, 2020 to SEK 2.7 million (0).

Note 6. Deposits and borrowings from the public

SEK million	Group / Parent company		
	2020-09-30	2019-12-31	2019-09-30
Deposits and borrowings from the public	1,958.5	1,819.1	1,522.6
By category			
Private individuals	1,958.5	1,819.1	1,522.6
Companies	-	-	-
Total	1,958.5	1,819.1	1,522.6
By currency			
Swedish currency	1,824.6	1,819.1	1,522.6
Foreign currency	133.9	-	-
Total	1,958.5	1,819.1	1,522.6

Note 7. Financial instruments**Classification of financial instruments**

2020-09-30, SEK million	Group		
	Fair value through other comprehensive income	Amortized cost	Total carrying amount
Assets			
Bonds and other fixed-income securities	375,1	–	375,1
Lending to credit institutions	–	60,8	60,8
Lending to the public	–	2,200,7	2,200,7
Other assets	–	39,9	39,9
Accrued income	–	0,7	0,7
Total financial instruments	375,1	2,302,1	2,677,1
Other non-financial instruments			248,8
Total assets			2,926,0
Liabilities			
Liabilities to credit institutions	–	127,7	127,7
Deposits and borrowings from the public	–	1,958,5	1,958,5
Other liabilities	–	80,4	80,4
Accrued expenses	–	48,3	48,3
Subordinated debt	–	100,0	100,0
Total financial instruments	–	2,314,9	2,314,9
Other non-financial instruments			10,1
Total liabilities			2 325,0

Classification of financial instrument

2019-12-31, SEK million	Group		
	Fair value through other comprehensive income	Amortized cost	Total carrying amount
Assets			
Treasury bills eligible for refinancing etc	25,0	–	25,0
Bonds and other fixed-income securities	230,0	–	230,0
Lending to credit institutions	–	240,2	240,2
Lending to the public	–	2,070,4	2,070,4
Other assets	–	38,6	38,6
Accrued income	–	16,4	16,4
Total financial instruments	255,0	2,365,5	2,620,5
Other non-financial instruments			258,1
Total assets			2,878,5
Liabilities			
Liabilities to credit institutions	–	292,4	292,4
Deposits and borrowings from the public	–	1,819,1	1,819,1
Other liabilities	–	98,6	98,6
Accrued expenses	–	29,6	29,6
Subordinated debt	–	100,0	100,0
Total financial instruments	–	2,339,7	2,339,7
Other non-financial instruments			10,9
Total liabilities			2,350,6

Note 7. Financial instruments cont.**Classification of financial instruments**

2019-09-30, SEK million	Parent company		
	Fair value through other comprehensive income	Amortized cost	Total carrying amount
Assets			
Treasury bills eligible for refinancing etc	25.1	–	25.1
Bonds and other fixed-income securities	225.0	–	225.0
Lending to credit institutions	–	175.2	175.2
Lending to the public	–	1,814.6	1,814.6
Other assets	–	38.7	38.7
Accrued income	–	0.1	0.1
Total financial instruments	250.1	2,028.6	2,278.7
Other non-financial instruments			224.2
Total assets			2,502.9
Liabilities			
Liabilities to credit institutions	–	254.7	254.7
Deposits and borrowings from the public	–	1,522.6	1,522.6
Other liabilities	–	77.1	77.1
Accrued expenses	–	25.9	25.9
Subordinated debt	–	100.0	100.0
Total financial instruments	–	1,980.3	1,980.3
Other non-financial instruments			10.8
Total liabilities			1,991.1

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

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

Financial instrument measured at fair value

2020-09-30, SEK million	Group / Parent company			
	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing etc	–	–	–	–
Bonds and other fixed-income securities	–	375.1	–	375.1
Total assets	–	375.1	–	375.1
2019-12-31, SEK million				
	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing etc	–	25.0	–	25.0
Bonds and other fixed-income securities	–	230.0	–	230.0
Total assets	–	255.0	–	255.0
2019-09-30, SEK million				
	Level 1	Level 2	Level 3	Total
Assets				
Treasury bills eligible for refinancing etc	–	25.1	–	25.1
Bonds and other fixed-income securities	–	225.0	–	225.0
Total assets	–	250.1	–	250.1

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					
	2020 Jul – Sep			2020 Jan – Sep		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	40.6	19.3	59.8	120.8	54.5	175.3
Interest expenses	-5.4	-3.6	-8.9	-16.1	-10.3	-26.4
Net commission income ¹	44.1	0.1	44.2	126.0	0.3	126.4
Net profit/loss from financial transactions	-0.1	–	-0.1	0.1	–	0.1
Other operating income	2.0	–	2.0	4.6	–	4.6
Total operating income	81.3	15.8	97.1	235.4	44.5	279.9
Net credit losses	-18.0	-5.3	-23.3	-60.0	-16.3	-76.3
Total operating income less credit losses	63.3	10.5	73.8	175.4	28.3	203.7

SEK million	Parent company					
	2020 Jul – Sep			2019 Jul – Sep		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	40.6	19.3	59.8	37.7	12.4	50.1
Interest expenses	-5.3	-3.6	-8.9	-5.1	-2.5	-7.6
Net commission income ¹	44.1	0.1	44.2	42.3	0.1	42.4
Net profit/loss from financial transactions	-0.1	–	-0.1	0.0	–	0.0
Other operating income	2.0	–	2.0	0.7	–	0.7
Total operating income	81.3	15.8	97.1	75.7	10.0	85.7
Net credit losses	-18.0	-5.3	-23.3	-7.2	-3.4	-10.6
Total operating income less credit losses	63.3	10.5	73.8	68.4	6.6	75.0

SEK million	2020 Jan – Sep			2019 Jan – Sep		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
	Interest income	120.8	54.5	175.3	113.1	29.0
Interest expenses	-15.9	-10.3	-26.2	-14.3	-5.9	-20.2
Net commission income ¹	126.0	0.3	126.4	133.6	0.3	133.9
Net profit/loss from financial transactions	0.1	–	0.1	0.0	–	0.0
Other operating income	4.6	–	4.6	1.9	–	1.9
Total operating income	235.6	44.5	280.1	234.3	23.4	257.7
Net credit losses	-60.0	-16.3	-76.3	-31.7	-10.0	-41.7
Total operating income less credit losses	175.6	28.3	203.9	202.6	13.5	216.1

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 2,201 million (1,815 as of September 30, 2019 and 2,070 as of December 31, 2019), SEK 1,305 million (1,161 as of September 30, 2019 and 1,343 as of December 31, 2019) refers to Payment solutions and SEK 896 million (653 as of September 30, 2019 and 727 per 2019-12-31) refers to Digital banking services.

Commission income per geographic market and segment

SEK million	Group / Parent company		Parent company	
	2020 Jul – Sep	2020 Jan – Sep	2019 Jul – Sep	2019 Jan – Sep
Payment solutions				
Lending commissions				
Sweden	29.3	81.4	26.9	80.0
Finland	1.7	5.7	4.3	14.6
Denmark	1.5	4.8	1.8	5.7
Norway	5.4	17.0	5.1	17.3
Total	37.9	109.0	38.1	117.6
Other commission income				
Sweden	6.8	19.1	5.1	18.2
Finland	0.1	0.3	0.1	0.4
Denmark	0.0	0.1	0.0	0.0
Norway	0.1	0.5	-0.2	0.2
Total	7.0	20.0	5.1	18.8
Total commission income Payment Solution	44.9	129.0	43.2	136.5
Digital Banking				
Lending commissions				
Sweden	0.1	0.3	0.1	0.3
Total commission income Digital Banking	0.1	0.3	0.1	0.3
Total commission income	45.0	129.3	43.3	136.8

Note 9. Capital adequacy

SEK million	2020-09-30		2019-09-30		2019-12-31	
Capital						
Common equity tier 1 capital						
Share capital	50.3		50.1		50.1	
Retained profit or loss	602.1		458.7		501.7	
Common equity tier 1 capital prior to adjustment	652.4		508.7		551.8	
<i>Adjustments</i>						
Intangible assets	-165.1		-173.1		-178.5	
Loss for current financial year	-51.2		0.0		-23.8	
Deferred tax assets	-27.2		-8.5		-14.7	
Other adjustment	-0.4		-0.3		-0.3	
Total common equity tier 1	408.7		326.9		334.5	
Other tier 1 capital	0.0		0.0		0.0	
Tier 2 capital	100.0		45.1		49.5	
Total capital	508.7		371.9		383.9	
<i>Of which: tier 1 capital</i>	408.7		326.9		334.5	
<i>Of which: common equity tier 1 capital</i>	408.7		326.9		334.5	
Risk exposure amount						
Credit risk according to standardized approach, of which						
exposure to households	1,584.8		1,289.0		1,490.2	
exposure to corporates	32.4		33.5		51.2	
exposures in default	120.1		125.8		112.7	
exposure to institutions	12.2		35.0		48.0	
exposure covered bonds	0.0		0.0		0.0	
other exposures	15.6		18.0		19.9	
exposure equity	0.1		0.0		0.1	
Total credit risk	1,765.1		1,501.3		1,722.1	
Market risk according to standardized approach	0.0		0.0		0.0	
Operational risk according to alternative standardised approach	107.3		431.8		431.8	
Credit valuation adjustment according to standardized approach	0.0		0.0		0.0	
Total risk exposure amount	1,872.4		1,933.1		2,153.9	
Capital ratios, %						
Total capital ratio		27.2%		19.2%		17.8%
Tier 1 capital ratio		21.8%		16.9%		15.5%
Common Equity Tier 1 capital ratio		21.8%		16.9%		15.5%
Capital requirement						
Pillar 1 requirement (total minimum capital requirement)	149.8	8.0%	154.6	8.0%	172.3	8.0%
<i>of which: credit risk</i>	141.2	7.5%	120.1	6.2%	137.8	6.4%
<i>of which: operational risk</i>	8.6	0.5%	34.5	1.8%	34.5	1.6%
<i>of which: market risk</i>	0.0	0.0%	0.0	0.0%	0.0	0.0%
<i>of which: credit valuation adjustment</i>	0.0	0.0%	0.0	0.0%	0.0	0.0%
Pillar 2 requirement, incl. capital planning buffer	25.6	1.4%	51.0	2.6%	52.9	2.5%
<i>of which: additional market risk</i>	0.0	0.0%	0.2	0.0%	0.2	0.0%
<i>of which: concentration risk</i>	23.0	1.2%	23.3	1.2%	23.0	1.1%
<i>of which: interest rate risk</i>	2.6	0.1%	1.4	0.1%	1.6	0.1%
<i>of which capital planning buffer</i>	0.0	0.0%	17.4	0.9%	19.4	0.9%
Combined buffer requirement	47.7	2.5%	92.2	4.8%	103.2	4.8%
<i>of which: countercyclical buffer requirement</i>	0.9	0.0%	43.9	2.3%	49.4	2.3%
<i>of which: capital conservation buffer requirement</i>	46.8	2.5%	48.3	2.5%	53.8	2.5%
Total capital requirement	223.1	11.9%	297.8	15.4%	328.4	15.2%
<i>of which: Tier 1 capital requirement</i>	180.8	9.7%	249.4	12.9%	275.3	12.8%
<i>of which: Common Equity Tier 1 capital requirement</i>	149.0	8.0%	213.2	11.0%	235.4	10.9%
Leverage ratio, %		15.0%		14.1%		12.5%
Institution specific buffer requirement¹, %		7.0%		9.3%		9.3%
Common Equity Tier 1 available to meet buffers, %		14.8%		7.6%		6.2%

1) Institution specific buffer requirement (CET1 requirement in accordance with article 92(1)(a) plus capital conservation and countercyclical buffer requirements)

Note 9. Capital adequacy

Qliro AB's publication of information regarding capital adequacy and liquidity management

Qliro AB (556962-2441) is a credit market institution. All information is presented as of September 30, 2020 in accordance with Regulation (EU) 575/2013 and the Swedish Financial Supervisory Authority's (FI) regulations and general guidelines (FFFS **2019:6**).

Funding Qliro AB

Qliro AB's net lending to the public amounted to SEK 2,201 (2,070 as of December 31, 2019) million at the end of the quarter. The lending was financed by the amount of SEK 128 (292 as of December 31, 2019) million via a secured contracted credit facility and SEK 1,958 (1,819 as of December 31, 2019) 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 55 percent on demand with variable rate and 45 percent fixed interest rate with a duration of 191 days as of September 30, 2020 (initially 6-month fixed rate and 1-year fixed rate). 22 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 September 30, 2020 amounted to SEK 436 million, consisting of:

- Investments in debt securities²: SEK 375 million
- Bank balances in Nordic Banks: SEK 60.8 million

In addition to the financial investments, Qliro AB had as of September 30, 2020 SEK 672 million in back up liquidity via undrawn funding in a secured committed credit facility.

As of September 30, 2020, the liquidity coverage ratio amounted to 554 percent for Qliro AB, to be compared with the regulatory requirement of 100 percent. The liquidity coverage ratio measures a liquidity buffer of SEK 275 million, related to net outflows of SEK 49.7 million over a thirty-day period under stressed market conditions.

2) Investments in debt securities consist of Swedish municipal bonds. Average rating of debt securities investments was AA+ with an average maturity of 50 days.

Note 10 Event after end of period

On October 2, Qliro's shares began trading on Nasdaq Stockholm under the ticker symbol "Qliro."

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.

RECONCILIATION TABLES

for derivation of alternative key figures

SEK million (unless otherwise stated)	2020 Jul – sep	2019 Jul – sep	2020 Jan – sep	2019 Jan – sep
Business volume				
Pay-after-delivery volume	1,466	1,261	4,159	3,692
Return on equity, %				
Total equity, opening balance	485	496	528	413
Total equity, closing balance	601	512	601	512
Average equity (OB+CB)/2	543	504	564	463
Profit/loss for the period	-8.6	1.0	-51.4	3.0
Average profit/loss for the period 12 month	-34.4	4.0	-68.6	4.0
Return on equity, %	-6.3%	0.8%	-12.2%	0.9%
Items affecting comparability				
Accrual merchant commissions	-	-	8.4	-
Impairment of intangible assets	-	-	15.6	-
Items affecting comparability	-	-	24.0	-
C/I ratio, %				
Total expenses before credit losses	-83.3	-73.6	-267.6	-211.9
Total operating income	97.1	85.7	279.9	257.7
C/I ratio, %	85.8%	85.9%	95.6%	82.2%
Credit loss level, %				
Lending to the public, opening balance	2,151	1,671	2,070	1,493
Lending to the public, closing balance	2,201	1,815	2,201	1,815
Average lending to the public (OB+CB)/2	2,176	1,743	2,136	1,654
Net credit losses	-23.3	-10.6	-76.3	-41.7
Average net credit losses 12 month	-93.1	-42.6	-101.7	-55.6
Credit loss level, %	4.3%	2.4%	4.8%	3.4%
Credit loss level Digital banking services, %				
Lending to the public, Digital banking services, opening balance	851	527	727	317
Lending to the public, Digital banking services, closing balance	896	653	896	653
Average lending to the public Digital banking services (OB+CB)/2	874	590	812	485
Net credit losses	-5.3	-3.4	-16.3	-10.0
Average net credit losses Digital banking services 12 month	-21.2	-13.7	-21.7	-13.3
Credit loss level Digital banking services, %	2.4%	2.3%	2.7%	2.7%
Credit loss level, % in relation to pay-after-delivery (PAD) volume				
Net credit losses, PAD	-18.0	-7.2	-60.0	-31.7
Pay-after-delivery (PAD) volume	1,466	1,261	4,159	3,692
Credit loss level, % in relation to pay-after-delivery (PAD) volume	1.2%	0.6%	1.4%	0.9%
Profit/loss for the period adjusted for Items affecting comparability				
Profit/loss for the period	-8.6	1.0	-51.4	3.0
Items adjusted for items affecting comparability	-	-	24.0	-
Tax effect on items affecting comparability	-	-	-5.1	-
Profit/loss for the period adjusted for items affecting comparability	-8.6	1.0	-32.6	3.0

RECONCILIATION TABLES cont.

SEK million (unless otherwise stated)	2020 Jul – sep	2019 Jul – sep	2020 Jan – sep	2019 Jan – sep
Net commission adjusted for items affecting comparability				
Commission income	45.0	43.3	129.3	136.8
Commission expenses	-0.8	-0.9	-2.9	-2.9
Net commission income	44.2	42.4	126.4	133.9
Items affecting comparability (accrual commission)	-	-	5.0	-
Net commission adjusted for items affecting comparability	44.2	42.4	131.4	133.9
Net interest income adjusted for items affecting comparability				
Net interest income	50.9	42.6	148.9	122.0
Items affecting comparability (accrual commission)	-	-	3.4	-
Net interest income adjusted for items affecting comparability	50.9	42.6	152.3	122.0
Operating profit/loss less depreciation/amortization of tangible and intangible assets				
Operating profit/loss	-9.5	1.5	-63.9	4.2
Depreciation/amortization of tangible and intangible assets	20.8	17.5	79.7	43.2
Operating profit/loss excl. depreciation/amortization of tangible and intangible assets	11.3	19.0	15.8	47.4
Operating profit/loss adjusted for items affecting comparability				
Operating profit/loss	-9.5	1.5	-63.9	4.2
Items affecting comparability	-	-	24.0	-
Operating profit/loss adjusted for items affecting comparability	-9.5	1.5	-39.9	4.2
Total operating income	97.1	85.7	279.9	257.7
of which Payment Solutions	81.3	75.7	235.4	234.3
of which Digital banking services	15.8	10.0	44.5	23.4
Total operating income adjusted for items affecting comparability				
Total operating income	97.1	85.7	279.9	257.7
Items affecting comparability (accrual commission)	-	-	8.4	-
Total operating income adjusted for items affecting comparability	97.1	85.7	288.3	257.7
Total operating income margin, %				
Lending to the public, opening balance	2,151	1,671	2,070	1,493
Lending to the public, closing balance	2,201	1,815	2,201	1,815
Average lending to the public (OB+CB)/2	2,176	1,743	2,136	1,654
Total operating income	97.1	85.7	279.9	257.7
Average profit/loss for the period 12 month	388.3	342.6	373.2	343.6
Total operating income margin, %	17.8%	19.7%	17.5%	20.8%
Lending to the public	2,201	1,815	2,201	1,815
of which Payment Solution	1,305	1,161	1,305	1,161
of which Digital banking services	896	653	896	653

The Board's assurance

The Board of Directors and the CEO give their assurance that the interim 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.

Stockholm, October 21, 2020

Lennart Jacobsen
Chairman of the Board

Robert Burén
Board member

Monica Caneman
Board member

Lennart Francke
Board member

Helena Nelson
Board member

Carolina Brandtman
CEO

Phone conference

Media, analysts and investors are invited to a conference call on the 21st of October at 11 am when CEO Carolina Brandtman and CFO Robert Stambro will present the results.

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

Telephone:

Sweden: +46 8 566 427 05

United Kingdom: +44 333 300 92 66

United States: +1 833 823 05 90

Link to the webcast: tv.streamfabriken.com/qliro-q3-2020

You can also follow the presentation on:

qliro.com/en/investor-relations/presentations

FINANCIAL CALENDAR

16 February 2021, at 7.30 am	Year-end report 2020
During week 15, 2021	Annual report 2020 published
11 May 2021, at 7.30 am	Interim report January-March 2021
19 May	Annual General Meeting
20 July 2021, at 7.30 am	Interim report January-June 2021
26 October 2021, at 7.30 am	Interim report January-September 2021



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