

QLIRO

Interim report January – September 2021

Positive volume development

Important events in the third quarter 2021

- 12 percent increase in pay-after-delivery volumes and 16 percent lending growth
- Qliro stopped e-mail marketing of private loans

Events after the period

- As a first step in broadening the product range to include medium-sized merchants Qliro began a collaboration with Wikinggruppen, one of Sweden's largest e-commerce platforms

July– September 2021 (July – September 2020)

- Total operating income increased by 4 percent to SEK 100.5 million (97.1).
- Total operating expenses increased by 10 percent to SEK 91.4 million (83.3).
- Credit losses decreased with 19 per cent to a net of SEK 18.9 million (23.3)
- Operating profit decreased with 2 percent to SEK -9.7 (-9.5)
- Net profit for the period improved with 6 percent to SEK -8.1 million (-8.6) and earnings per share amounted to SEK -0.45 (-0.48)

January – September 2021 (January – September 2020)

- Total operating income increased by 6 percent to SEK 297.4 million (279.9). Total operating income adjusted for items affecting comparability increased by 3 percent to SEK 297.4 million (288.3)
- Total operating expenses increased by 1 percent to SEK 268.9 million (267.6). Adjusted for items affecting comparability, expenses increased by 7 percent to SEK 268.9 million (252.0)
- Credit losses decreased with 24 per cent to a net of SEK 58.3 million (76.3)
- Operating profit improve with 53 per cent to SEK -29.8 million (-63.9). Operating profit adjusted for items affecting comparability improved with 25 per cent to SEK -29.8 million (-39.9)
- Net profit for the period was improved with 52 per cent to SEK -24.8 million (-51.4) and earnings per share amounted to SEK -1.38 (-2.86). Net profit for the period adjusted for items affecting comparability was improved with 24 per cent to SEK -24.8 million (-32.6)

+4%

Income growth¹⁾

2,5 M

Number of active customers²⁾

+12%

Growth pay-after delivery volume¹⁾

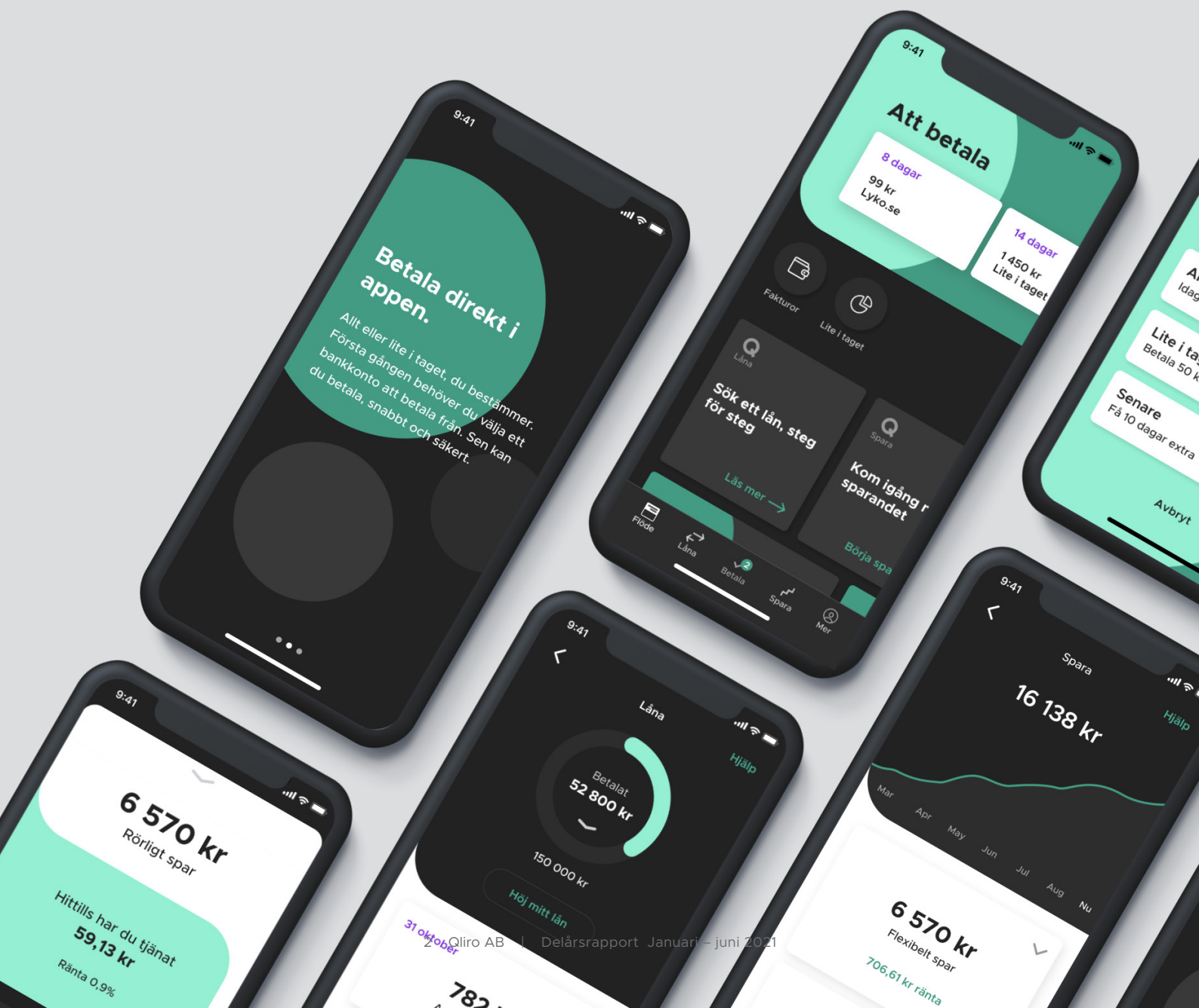
+16%

Lending growth¹⁾

1) Third quarter 2021 in comparison with third quarter 2020

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

» Our primary focus going forward is to increase growth and improve efficiency«





CEO COMMENT

Continued growth of payment volumes

Volumes with Qliro's payment methods continued to increase and in the third quarter growth was 12 percent. Our merchants continue to generate higher sales, although the reopening of society after the pandemic has somewhat affected e-commerce growth. The onboarding of new merchants continued with the addition of the rapidly growing e-merchant Teknikproffset, which went live with our checkout solution at the end of the quarter, and in the fourth quarter the Swedish e-merchant Stronger will be onboarded.

Growth of payment volumes over time drives increased lending and increased income. The income margin has been stable during the year, but is lower than in 2020. The decrease in the margin is mainly due to lower reminder income as a result of improved customer processes and functionality in the digital post-purchase experience as well as regulatory changes.

Platform collaborations a first step toward a broader customer offering

Since the start, Qliro's focus has been on digital payment solutions and partnerships with the biggest online merchants in the Nordics. In just a few years, we have become established as the second largest company in the segment in Sweden.

We have now begun broadening our offering to medium-sized e-merchants. The focus is on standardizing the offering, simplifying the onboarding process for new partners and gradually entering into partnerships with e-commerce platforms involving our payment services. As a first step in broadening the offering, we recently established a partnership with Wikinggruppen, one of Sweden's largest e-commerce platforms.

While our emphasis on large merchants will not change, we are gradually adding another growth opportunity.

Improved processes with new developer portal

During the quarter we launched a new developer portal, thanks to which our API'S are now easily available. The portal makes it simpler for our partners to integrate Qliro's checkout solution, and continuous updates will now be more convenient. The portal also contains more information and practical tips on our additional services.

Limited marketing of personal loans

During the quarter we received criticism for the email marketing of our personal loans and after a close dialogue with our merchant partners we decided on September 7 that it will be discontinued. The email marketing had targeted customers over 20 who in the last year had made a purchase using one of Qliro's credit products. On September 9 the Swedish Consumer Agency announced that it had identified shortcomings in the marketing of Qliro's personal loans. We are fully cooperating with the agency on this issue. The personal loan, which is a popular product mainly used to lower interest expenses, will continue to be marketed in our app and on our website.

Third quarter result

Quarterly profit was stable at SEK -8.1 million (-8.6). For the cumulative period January-September profit improved to SEK -24.8 million (-51.4).

Income increased by 4 percent, in line with the previous quarter but lower than our long-term target. Income within the segment Payment Solutions was stable, while lending and payment volumes with our services grew by 11 percent. In our other segment, Digital Banking Services, income growth continued (+20 percent) with stable margins.

Expenses were at the same level as the previous quarter, but increased by 10 percent compared with the previous year.

The efforts to improve our credit processes and credit check models are producing results and credit losses decreased by 19 percent compared with the previous year despite increased lending.

Changes to improve efficiency

We are not pleased with the financial results and the current growth rate. Our primary focus going forward is to increase growth and improve efficiency. In early October we therefore implemented changes in our organization and the ways we work to increase the emphasis on our core business – payments. The changes create opportunities to generate more value for our merchants and customers and thereby improve future growth and cost efficiency.

Stockholm, October 26, 2021

Carolina Brandtman
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 7.0bn.

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

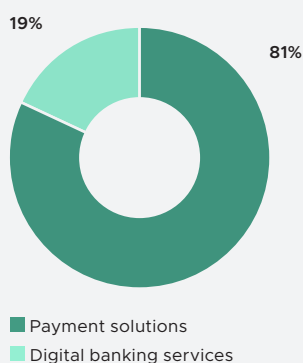
Payment solutions

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

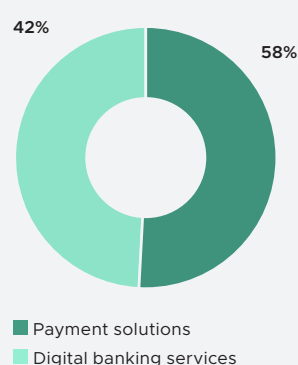
Digital banking services

Digital banking services consist of services offered in Qliro's digital platforms beyond the payment products offered in Payment solutions. Today the segment mainly consists of personal loans in Sweden, which were launched at the end of 2017. 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 only 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 Jul – Sep	2020 Jul – Sep	% Δ	2021 Jan – Sep	2020 Jan – Sep	% Δ
Income statement						
Total operating income ¹	100.5	97.1	4%	297.4	279.9	6%
Total operating income adjusted for items affecting comparability ¹	100.5	97.1	4%	297.4	288.3	3%
Total expenses before credit losses	-91.4	-83.3	10%	-268.9	-267.6	1%
of which depreciation	-24.7	-20.8	19%	-71.8	-79.7	-10%
Total expenses before credit losses adjusted for items affecting comparability	-91.4	-83.3	10%	-268.9	-252.0	7%
Net credit losses	-18.9	-23.3	-19%	-58.3	-76.3	-24%
Operating profit/loss ¹	-9.7	-9.5	-2%	-29.8	-63.9	53%
Operating profit/loss adjusted for items affecting comparability ¹	-9.7	-9.5	-2%	-29.8	-39.9	25%
Profit/loss for the period	-8.1	-8.6	6%	-24.8	-51.4	52%
Profit/loss for the period adjusted for items affecting comparability	-8.1	-8.6	6%	-24.8	-32.6	24%
Earnings per share before and after dilution SEK ⁴	-0.45	-0.48	6%	-1.38	-2.86	52%
Balance sheet						
Lending to the public ¹	2,545	2,201	16%	2,545	2,201	16%
of which Payment solutions	1,469	1,305	12%	1,469	1,305	12%
of which Digital banking services	1,076	896	20%	1,076	896	20%
Deposits and borrowings from the public	2,435	1,958	24%	2,435	1,958	24%
Key figures						
Operating margin, % ¹	16.0%	17.8%	-10%	15.8%	17.5%	-9%
Credit loss level, % ¹	3.0%	4.3%	-30%	3.1%	4.8%	-35%
Cost/income ratio, % ¹	90.9%	85.8%	6%	90.4%	95.6%	-5%
Return on equity, % ¹	neg.	neg.	-	neg.	neg.	-
CET 1 capital ratio, % ³	20.4%	21.8%	-6%	20.4%	21.8%	-6%
Total capital Ratio, % ³	24.7%	27.2%	-9%	24.7%	27.2%	-9%
Liquidity coverage ratio (LCR), % ³	160%	554%	-71%	160%	554%	-71%
Pay-after-delivery volume ²	1,641	1,466	12%	4,914	4,159	18%
Number of connected merchants ²	48	46	4%	48	46	4%
Average number of employees ²	209	200	5%	209	199	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 THIRD QUARTER 2021 COMPARED WITH THE THIRD 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.

Increased volumes and lending increased income

Total operating income increased by 4 percent to SEK 100.5 million (97.1). Income also increased compared with the previous quarter. Regulatory changes in Norway and Denmark, which were introduced in late 2020, negatively affected income by approximately SEK 3.6 million.

Net interest income increased by 9 percent to SEK 55.4 million (50.9), where interest income increased by 8 percent to SEK 64.8 million (59.8) and interest expenses by 6 percent to SEK 9.4 million (8.9). Interest income increased due to growing business volumes and lending in both Payment solutions and Digital banking services. Compared with the previous year, the fee limit in Denmark had a negative effect. Interest expenses increased less than lending growth thanks to more efficient funding.

Net commission income decreased by 3 percent to SEK 43.1 million (44.3). 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 contributed to the decrease in net commission income.

Net gains and losses on financial items amounted to SEK -0.5 million (-0.1). 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 2.5 million (2.0), where income from payment methods offered through partners in Qliro's checkout solution increased due to higher volumes and after more merchants signed up for Qliro's comprehensive payment solution.

Higher expenses, stable compared to last quarter

Total expenses increased by 10 percent to SEK 91.4 million (83.3). Excluding depreciation, expenses increased by 7 percent. Expenses were on the same level as the second quarter 2021.

Administrative expenses, primarily consisting of the employee benefits and IT costs, increased by 8 percent to SEK 58.8 million (54.4). The increases are mainly attributable to higher IT costs as well as the costs of being a listed company. The increased IT costs are driven by the infrastructure transition and higher system costs.

Other expenses decreased by 3 percent to SEK 7.8 million (8.1). The decrease is a result of efficiencies in credit check costs. Other expenses to a large extent fluctuate by business volume, e.g. credit check costs.

Depreciation, amortization and impairment increased by 19 percent to SEK 24.7 million (20.8). 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 18.9 million (23.3) despite growing volumes and lending. Underlying credit quality improved and no negative effects on customers' payment patterns were noted. Due to improved macroeconomic forecasts, the extra provisions allocated in 2020 in the wake of the ongoing pandemic were reversed. The reversal reduced credit losses by approximately SEK 4 million, of which SEK 1.5 million within Payment Solutions and SEK 2.5 million within Digital Banking Services.

Within Payment solutions, credit losses decreased to SEK 16.5 million (18.0). In relation to PAD volume, credit losses amounted to 1.0 percent (1.2), where improved underlying credit quality had a positive effect, while slightly lower prices on the sale of past due receivables negatively affected the outcome.

In the Digital banking services segment, credit losses decreased to SEK 2.4 million (5.3). Credit losses corresponded to 0.9 percent of average lending (2.4 percent).

Stable result

Operating profit was stable at SEK -9.7 million (-9.5) and net profit for the period improved to SEK -8.1 million (-8.6).

JANUARY – SEPTEMBER 2021 COMPARED WITH JANUARY – SEPTEMBER 2020

Items affecting comparability

Two types of items affecting comparability were reported in the second quarter 2020. 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, the items affecting comparability reduced operating profit by SEK 24 million and profit for the period by SEK 18.9 million for the period January-September 2020.

Income increased but the margin was lower due to less reminder income

Total operating income increased by 6 percent to SEK 297.4 million (279.9). Total operating income adjusted for items affecting comparability (described above) increased by 3 percent to SEK 297.4 million (288.3). Regulatory changes which took effect in Denmark and Norway in late 2020 negatively affected income by approximately SEK 9.7 million.

Net interest income increased by 10 percent to SEK 163.7 million (148.9), where interest income amounted to SEK 192.3 million (175.3) and interest expenses to SEK 28.6 million (26.4). 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 1 percent to SEK 127.6 million (126.3). Adjusted for the item affecting comparability, net commission income decreased by 3 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 -1.2 million (0.1) and other income increased to SEK 7.2 million (4.6), 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 payment methods are integrated.

Underlying expenses increased

Total expenses increased by 1 percent to SEK 268.9 million (267.6). Excluding items affecting comparability, expenses increased by 7 percent.

Administrative expenses, primarily consisting of the employee benefits and IT costs, increased by 6 percent to SEK 173.3 million (163.4). The cost increase is primarily due to a larger workforce driven by a growing business, higher system costs, costs related to the infrastructure transition and increased costs related to being a listed company. Other expenses, which to a large extent fluctuate by business volume, e.g. credit check costs, amounted to SEK 23.8 million (24.4). The decrease is a result of efficiencies in credit check costs.

Depreciation, amortization and impairment decreased to SEK 71.8 million (79.7) 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 58.3 million (76.3) and the net loan loss level was 3.1 percent (4.8) 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, of which SEK 4 million in the third quarter. 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 (1.4). Underlying credit quality developed positively, while slightly lower prices on the sale of past due receivables have a negative effect.

In the Digital banking services segment, recoveries of 0.3 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.

Profit improved significantly due to lower credit losses and items affecting comparability

Operating profit improved to SEK -29.8 million (-63.9). Operating profit adjusted for items affecting comparability amounted to SEK -29.8 million (-39.9). The improvement was due to lower recognized credit losses.

Net profit for the period amounted to SEK -24.8 million (-51.4), while net profit for the period adjusted for items affecting comparability amounted to SEK -24.8 million (-32.6).

Business segment

PAYMENT SOLUTIONS – GROWTH AND BROADENING OF OFFER

Comparisons with the third 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). This grows the loan book. 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 48 (46). At the end of the quarter Teknikproffset was onboarded as a new merchant. In the quarter 81 percent (83) of business volume was related to Sweden. Historically, Qliro's strategy has been focused on a customized offering for the very largest Nordic e-merchants. In the third quarter the offering was further broadened to include more standardized offers for medium-sized merchants and after the end of the quarter an initial step was taken through the collaboration with Wikinggruppen (see page 11 for more information).

Growth in volumes and lending but a lower margin

Payment volumes continued to grow and PAD volume increased by 12 percent to SEK 1,641 million, while the number of transactions was stable at 1.6 million. The strongest relative growth was in Norway, where business volume increased by nearly 50 percent.

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. Volumes from merchants outside what was formerly the Qliro Group (Nelly and CDON) increased by 17 percent and represented 58 percent of total volume in the quarter.

Lending, which consists of interest-bearing lending such as part payments and non-interest-bearing lending such as invoices or "Buy Now Pay Later" products, increased by 12 percent to SEK 1,469 million.

Total operating income was stable at SEK 81.5 million (81.3). Positive customer income continued to grow, while a lower share of reminder income and regulatory changes in Norway and Denmark reduced negative customer income. The income margin decreased to 22.3 percent (25.0), but has been stable in 2021

Net interest income increased by 3 percent to SEK 36.4 million (35.2). Increased business volume had a positive effect, while the fee limit introduced in Denmark had a negative effect.

Net commission income decreased by 3 percent to SEK 43.0 million (44.1). Increased business volumes contributed positively, while regulatory changes in Norway and Denmark had a negative effect. Qliro's focus on improving the customer experience in the digital applications reduced reminder rates, which had a negative effect on net commission income.

Other income, which consists of net gains and losses on financial transactions and other income, was stable at SEK 2.0 million (2.0).

Improved credit quality and lower credit losses

Recognized credit losses decreased to SEK 16.5 million (18.0) despite increased lending. In relation to PAD volume, credit losses corresponded to 1.0 percent (1.2), where improved underlying credit quality had a positive impact, while slightly lower prices for current sales agreements on past due receivables negatively affected the outcome. A reversal of the extra provisions allocated in 2020 related to the deteriorating macroeconomic outlook at the time reduced credit losses in the quarter by SEK 1.5 million.

PAYMENT SOLUTIONS

SEK million except where otherwise stated	2021 Jul – Sep	2020 Jul – Sep	% Δ	2021 Jan – Sep	2020 Jan – Sep	% Δ
Net interest income	36.4	35.2	3%	110.4	104.7	6%
Net commission income	43.0	44.1	-3%	127.3	126.0	1%
Total operating income	81.5	81.3	0%	243.8	235.4	4%
Net credit losses	16.5	18.0	-8%	56.3	60.0	-6%
Total operating income less credit losses	65.0	63.3	3%	187.5	175.4	7%
Lending to the public	1,469	1,305	12%	1,469	1,305	12%
Pay-after delivery (PAD), volume	1,641	1,466	12%	4,914	4,159	18%
Pay-after delivery (PAD), no of transactions, thousands	1,637	1,630	0%	5,029	4,733	6%
Credit loss level, %, in relation to PAD volume	1.0%	1.2%	-18%	1.1%	1.4%	-21%

81%

Share of total operating income

58%

Share of lending to the public

+3%

Risk-adjusted Income growth

+12%

Growth in PAD volume

DIGITAL BANKING SERVICES – STRONG LENDING AND INCOME GROWTH

Comparisons with the third 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. In September, Qliro decided to discontinue email marketing of personal loans. Personal loans are now marketed only in Qliro's app and on Qliro's website.

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 2020 two new services were launched in the app in partnership with the insuretech company Insurely. In 2021 Qliro integrated the two digital services Retursmart and Lifestyle Profile in collaboration with the partner Deedster to inspire and educate consumers on sustainability issues related to e-commerce.

In the third quarter more than a half million unique customers were active in Qliro's app and more than 400,000 customers used Qliro's website.

Strong growth in lending and 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. 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 20 percent to SEK 1,076 million (895) and in comparison with the previous quarter lending increased by 5.4 percent. On September 7 Qliro decided to discontinue email marketing of personal loans. The number of personal loan applications decreased by just over 20 percent in September compared with the average for the first two months of the quarter.

The increased lending and stable margins contributed to an increase in total operating income of 20 percent to SEK 19.0 million (15.8). New lending margins increased in the quarter.

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 2.4 million (5.3) were recognized. The net loan loss level corresponded to 0.9 percent of average lending (2.4). The reversal of the extra provisions in 2020 related to the deteriorating macroeconomic outlook reduced credit losses in the quarter by SEK 2.5 million. The risk-adjusted income margin increased to 6.4 percent (4.8). Excluding the reversal of the extra provisions, the risk-adjusted margin was 5.4 percent.

DIGITAL BANKING SERVICES

SEK million except where otherwise stated	2021 Jul – Sep	2020 Jul – Sep	% Δ	2021 Jan – Sep	2020 Jan – Sep	% Δ
Net interest income	19.0	15.7	21%	53.3	44.2	21%
Total operating income	19.0	15.8	20%	53.6	44.5	20%
Net credit losses	2.4	5.3	-55%	2.0	16.3	-88%
Total operating income less credit losses	16.6	10.5	58%	51.6	28.3	83%
Lending to the public	1,076	896	20%	1,076	896	20%
Credit loss level, %, of average lending to the public	0.9%	2.4%	-63%	0.3%	2.7%	-90%

19%

Share of total operating income

42%

Share of lending to the public

+58%

Risk-adjusted income growth

+20%

Lending growth

Capital, funding and liquidity

Qliro is well-capitalized

Qliro AB's own funds (see Note 9 Capital adequacy) decreased to SEK 573 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 2,322 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 24.7 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 20.4 percent (22.4 as of December 31, 2020), compared with the regulatory requirement of 8.0 percent. This means that Qliro has nearly SEK 280 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 2,435 million (2,133 as of December 31, 2020) in deposits from the public (savings accounts) in Sweden and Germany and SEK 146 million (215 as of December 31, 2020) through a secured loan facility. The latter enables Qliro to match currencies between the asset and liability sides of the balance sheet.

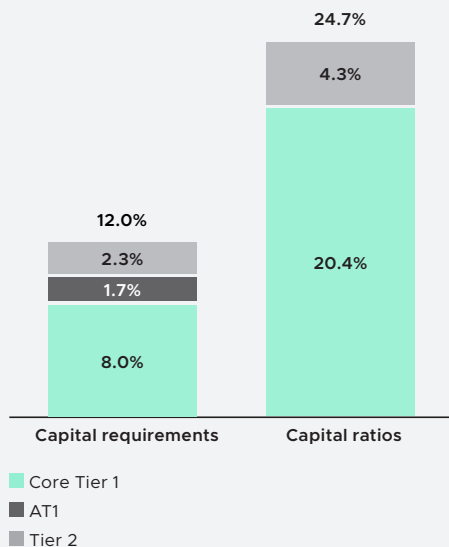
Deposits from the public are a flexible and well-functioning form of funding given Qliro's lending, which largely consists of smaller loans of short duration. Qliro offers two different savings accounts in Sweden, one with a variable interest rate that as of September 30 was 0.8 percent, and one account with a 1-year fixed interest rate that at the end of the period was 1.1 percent. Funding was diversified in 2020 through the launch of 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 496 million at the end of the quarter (222 as of December 31).

Qliro has solid liquidity

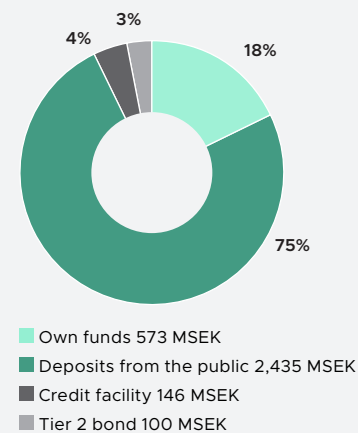
Qliro has solid liquidity and as of September 30 the liquidity portfolio amounted to SEK 551 million. In addition to the liquid investments, Qliro AB had SEK 654 million in back-up liquidity via undrawn funding in a secured committed credit facility. The liquidity portfolio is invested in Nordic banks as well as other liquid investments such as municipal bonds and commercial paper with an average rating of AA+ and an average maturity of 81 days.

The Liquidity Coverage Ratio (LCR) was 160 percent as of September 30, compared with the legal requirement of 100 percent. The Net Stable Funding Ratio was 126 percent and the Leverage Ratio was 14.3 percent.

Capitalisation, %



Funding mix, %



Other information

Other events during the period

Following a close dialogue with merchants, Qliro decided on September 7 to discontinue email marketing of personal loans. The criticism has primarily concerned the quantity of marketing of Qliro's personal loans that has been distributed following a purchase through one of our merchant's online shops. In connection with the company being made aware of the criticism, all marketing distributions were discontinued immediately. On September 9 the Swedish Consumer Agency announced that it had identified shortcomings in the marketing of Qliro's personal loans. Qliro is fully cooperating with the agency on this issue.

Events after the end of the period

As part of the broadening of its offering for medium-sized merchants, Qliro deepened its collaboration with one of Sweden's largest e-commerce platforms, Wikinggruppen. As a result, Qliro's payment solution became available to most Wikinggruppen's 1,300 merchants.

In early October Qliro implemented an internal re-organization to create better opportunities for accelerated growth. The focus is on actionability in order to create greater value for merchants and consumers and thereby improve profitability and efficiency. As part of the reorganization, Martina Skande was named Vice President and Fredrik Malmqvist was named Chief Product and Marketing Officer. Martina was previously a member of the Executive Management Team and Fredrik is a new member of the Executive Management Team.

Qliro's Nomination Committee prior to the 2022 Annual General Meeting has been appointed and consists of:

- Christoffer Häggblom, Rite Ventures, Chairman of the Nomination Committee
- Alexander Antas, Mandatum Private Equity
- Thomas Krishan
- Lennart Jacobsen, Chairman of Qliro

The Annual General Meeting is scheduled in Stockholm on May 17, 2022. Shareholders who wish to submit proposals to the Nomination Committee are welcome to contact the Nomination Committee. In order for the Nomination Committee to be able to consider a proposal, the proposal must have been received well in advance of the Annual General Meeting. Written proposals can be sent to ir@qliro.com or to Qliro AB, to: The Nomination Committee, Box 195 25, 104 32 Stockholm, Sweden.

Effects of COVID-19 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. Since the end of September, a gradual return to the office has begun.

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 then economic conditions

have improved and Qliro has not seen a widespread decline in solvency among consumers due to Covid-19.

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 impact on the economy.

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 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 impact on the economy.

The deteriorating macroeconomic outlook also reduced the countercyclical buffer requirement in the Nordic countries in 2020, which lowered Qliro's capital requirement.

Qliro's top 10 shareholders as of September 30, 2021

1. Rite Ventures 25.8% of total shares.
2. Mandatum Private Equity 9.8%
3. Avanza Pension 6.2%
4. Staffan Persson 4.8%
5. Nordnet pensionsförsäkring 3.1%
6. eQ Asset Management 2.8%
7. Thomas Krishan 1.6%
8. Silaxo Investment AB 1.6%
9. Ulf Ragnarsson 1.5%
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. 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 Jul – Sep	2020 Jul - Sep	2021 Jan – Sep	2020 Jan – Sep
Interest income		64.8	59.8	192.3	175.3
Interest expenses		-9.4	-8.9	-28.6	-26.4
Net interest income	2	55.4	50.9	163.7	148.9
Commission income	3	44.0	45.0	130.5	129.3
Commission expenses	3	-0.9	-0.8	-2.9	-2.9
Net profit/loss from financial transactions		-0.5	-0.1	-1.2	0.1
Other operating income		2.5	2.0	7.3	4.6
Total operating income		100.5	97.1	297.4	279.9
General administrative expenses		-58.8	-54.4	-173.3	-163.4
Depreciation/amortization of tangible and intangible assets		-24.7	-20.8	-71.8	-79.7
Other operating expenses		-7.8	-8.1	-23.8	-24.4
Total expenses before credit losses		-91.4	-83.3	-268.9	-267.6
Profit/loss before credit losses		9.2	13.8	28.5	12.3
Net credit losses	4	-18.9	-23.3	-58.3	-76.3
Operating profit/loss		-9.7	-9.5	-29.8	-63.9
Income tax expense		1.6	0.9	5.0	12.5
Profit/loss for the period		-8.1	-8.6	-24.8	-51.4
Earnings per share before and after dilution ¹⁾		-0.45	-0.48	-1.38	-2.86
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 Jul – Sep	2020 Jul - Sep	2021 Jan – Sep	2020 Jan – Sep
Profit/loss for the period		-8.1	-8.6	-24.8	-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	0.0	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		0.0	-0.0	0.0	-0.5
Total profit or loss and other comprehensive income		-8.1	-8.6	-24.8	-52.0

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	2021-09-30	2020-09-30	2020-12-31
Assets				
Lending to credit institutions		283.7	60.8	155.1
Lending to the public	5	2,544.8	2,200.7	2,460.3
Bonds and other fixed-income securities		270.7	375.1	290.1
Intangible assets		167.6	165.1	162.8
Tangible assets		23.9	32.1	31.5
Deferred tax assets		33.8	27.2	28.8
Other assets		44.2	44.9	47.0
Derivative		1.9	–	–
Prepaid expenses and accrued income		21.1	20.1	19.8
Total assets		3,391.8	2,926.0	3,195.3
Liabilities and Equity				
Liabilities				
Liabilities to credit institutions		146.0	127.7	215.0
Deposits and borrowings from the public	6	2,435.2	1,958.5	2,132.9
Other liabilities		87.9	84.5	96.8
Accrued expenses and deferred income		59.5	54.3	62.6
Subordinated debt		100.0	100.0	100.0
Total liabilities		2,828.6	2,325.0	2,607.3
Equity				
Share capital		50.3	50.3	50.3
Reserves		0.0	0.0	0.0
Retained profit or loss		537.7	602.1	604.7
Profit/loss for the year		–24.8	–51.4	–67.0
Total equity		563.2	601.0	588.0
Total liabilities and equity		3,391.8	2,926.0	3,195.3

Consolidated statement of changes in equity

SEK million	2021 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Opening balance	571.3	484.6	588.0	528.0
Profit/loss for the period	–8.1	–8.6	–24.8	–51.4
Total other comprehensive income for the period	0.0	0.0	0.0	–0.5
Shareholder's contribution	–	125.0	–	125.0
Closing balance	563.2	601.0	563.2	601.0

Consolidated cash flow statement

SEK million	2021 Jul – Sep	2020 Jul -Sep	2021 Jan – Sep	2020 Jan – Sep
Operating activities				
Operating profit/loss	-9.7	-9.5	-29.8	-63.9
Adjustments	36.1	44.4	130.9	165.3
Changes in the assets and liabilities of operating activities	97.7	-144.9	103.1	-343.9
Cash flow from operating activities	124.0	-110.0	204.1	-242.5
Investing activities				
Purchase of tangible assets	-0.6	-2.7	-7.0	-3.0
Purchase of intangible assets	-18.9	-13.6	-62.0	-52.7
Cash flow from investing activities	-19.6	-16.3	-69.1	-55.8
Financing activities				
Shareholders' contributions received	-	125.0	-	125.0
Amortization lease	-2.0	-2.0	-6.1	-6.1
Cash flow from financing activities	-2.0	123.0	-6.1	118.9
Cash flow for the period	102.4	-3.3	128.9	-179.6
Cash and cash equivalents at beginning of the period	181.4	64.1	155.1	240.2
Exchange differences in cash and cash equivalents	-0.1	0.0	-0.2	0.1
Cash flow for the period	102.4	-3.3	128.9	-179.4
Cash and cash equivalents at the end of the period	283.7	60.8	283.7	60.8

Parent company's income statement

SEK million	Note	2021 Jul – Sep	2020 Jul -Sep	2021 Jan – Sep	2020 Jan – Sep
Interest income		64.8	59.8	192.3	175.3
Interest expenses		-9.4	-8.9	-28.5	-26.2
Net interest income	2	55.4	51.0	163.8	149.0
Commission income	3	44.0	45.0	130.5	129.3
Commission expenses	3	-0.9	-0.8	-2.9	-2.9
Net profit/loss from financial transactions		-0.5	-0.1	-1.2	0.1
Other operating income		2.5	2.0	7.3	4.6
Total operating income		100.6	97.1	297.5	280.1
General administrative expenses		-60.9	-56.5	-179.5	-169.6
Depreciation/amortization of tangible and intangible assets		-22.6	-18.7	-65.6	-73.5
Other operating expenses		-7.8	-8.1	-23.8	-24.4
Total expenses before credit losses		-91.3	-83.3	-268.9	-267.5
Profit/loss before credit losses		9.2	13.9	28.7	12.6
Net credit losses	4	-18.9	-23.3	-58.3	-76.3
Operating profit/loss		-9.6	-9.4	-29.7	-63.6
Income tax expense		1.6	0.9	5.0	12.5
Profit/loss for the period		-8.0	-8.5	-24.6	-51.2
Earnings per share before and after dilution ¹⁾		-0.45	-0.47	-1.37	-2.85

Parent company's statement of comprehensive income

SEK million	Note	2021 Jul – Sep	2020 Jul -Sep	2021 Jan – Sep	2020 Jan – Sep
Profit/loss for the period		-8.0	-8.5	-24.6	-51.2
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	0.1
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		0.0	0.0	0.0	-0.5
Total profit or loss and other comprehensive income		-8.0	-8.5	-24.6	-51.7

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	2021-09-30	2020-09-30	2020-12-31
Assets				
Lending to credit institutions		281.1	60.8	152.5
Lending to the public	5	2,544.8	2,200.7	2,460.3
Bonds and other fixed-income securities		270.7	375.1	290.1
Shares and units		0.1	0.1	0.1
Intangible assets		167.6	165.1	162.8
Tangible assets		15.6	15.5	17.0
Deferred tax assets		33.8	27.2	28.8
Other assets		46.8	44.9	49.5
Derivative		1.9	–	–
Prepaid expenses and accrued income		21.1	20.1	19.8
Total assets		3,383.5	2,909.4	3,180.8
Liabilities and Equity				
Liabilities				
Liabilities to credit institutions		146.0	127.7	215.0
Deposits and borrowings from the public	6	2,435.2	1,958.5	2 132.9
Other liabilities		79.1	67.6	82.0
Accrued expenses and deferred income		59.5	54.3	62.6
Subordinated debt		100.0	100.0	100.0
Total liabilities		2,819.8	2,308.1	2,592.5
Equity				
Restricted equity				
Share capital		50.3	50.3	50.3
Reserve for development costs		114.9	118.5	118.5
Total restricted equity		165.3	168.8	168.8
Non-restricted equity				
Reserves		0.0	0.0	0.0
Share premium reserve		2.5	–	2.5
Retained profit or loss		420.6	483.6	483.7
Profit/loss for the year		–24.6	–51.2	–66.6
Total non-restricted equity		398.4	432.4	419.5
Total equity		563.7	601.3	588.3
Total liabilities and equity		3,383.5	2,909.4	3,180.8

Parent company statement of changes in equity

SEK million	2021 Jul - Sep	2020 Jul - Sep	2021 Jan - Sep	2020 Jan - Sep
Opening balance	571.7	484.8	588.3	528.0
Profit/loss for the period	-8.0	-8.5	-24.6	-51.2
Total other comprehensive income for the period	0.0	0.0	0.0	-0.5
Shareholder's contribution	-	125.0	-	125.0
Closing balance	563.7	601.3	563.7	601.3

Parent company's cash flow statement

SEK million	2021 Jul - Sep	2020 Jul - Sep	2021 jan - Sep	2020 Jan - Sep
Operating activities				
Operating profit/loss	-9.6	-9.4	-29.7	-63.6
Adjustments	34.0	42.3	124.5	158.9
Changes in the assets and liabilities of operating activities	97.7	-144.9	103.1	-344.0
Cash flow from operating activities	122.0	-112.1	197.9	-248.7
Investing activities				
Purchase of tangible assets	-0.6	-2.7	-7.0	-3.0
Purchase of intangible assets	-18.9	-13.6	-62.0	-52.7
Cash flow from investing activities	-19.6	-16.3	-69.1	-55.8
Financing activities Shareholders'				
Shareholders' contributions received	-	125.0	-	125.0
Kassaflöde från finansieringsverksamheten	-	125.0	-	125.0
Cash flow for the period	102.4	-3.3	128.9	-179.5
Cash and cash equivalents at beginning of the period	178.8	64.1	152.5	240.2
Exchange differences in cash and cash equivalents	-0.1	0.0	-0.2	0.1
Cash flow for the period	102.4	-3.3	128.9	-179.5
Cash and cash equivalents at the end of the period	281.1	60.8	281.1	60.8

NOTES

Not 1. Accounting policies

The interim report for Qliro AB covers the period January 1 to September 30, 2021. 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 2020.

Note 2. Net interest income

SEK million	Group			
	2021 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Interest income				
Lending to the public	64.7	59.8	192.2	175.1
Interest-bearing securities	0.1	0.1	0.1	0.2
Total interest income	64.8	59.8	192.3	175.3
Interest expenses				
Liabilities to credit institutions	-2.5	-2.5	-7.5	-8.1
Deposits to the general public	-5.0	-4.6	-15.5	-12.9
Interest-bearing securities	-0.1	-	-0.3	0.0
Subordinated debt	-1.7	-1.8	-5.1	-5.2
Lease liabilities	0.0	-0.1	-0.1	-0.2
Other interest expenses	-0.1	-	-0.1	-
Total interest expenses	-9.4	-8.9	-28.6	-26.4
Net interest income	55.4	50.9	163.7	148.9

SEK million	Parent company			
	2021 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Interest income				
Lending to the public	64.7	59.8	192.2	175.1
Interest-bearing securities	0.1	0.1	0.1	0.2
Total interest income	64.8	59.8	192.3	175.3
Interest expenses				
Liabilities to credit institutions	-2.5	-2.5	-7.5	-8.1
Deposits to the general public	-5.0	-4.6	-15.5	-12.9
Interest-bearing securities	-0.1	-	-0.3	0.0
Subordinated debt	-1.7	-1.8	-5.1	-5.2
Other interest expenses	-0.1	-	-0.1	-
Total interest expenses	-9.4	-8.9	-28.5	-26.2
Net interest income	55.4	51.0	163.8	149.0

Note 3. Net commission income

SEK million	Group and Parent company			
	2021 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Commission income				
Lending commissions	36.5	38.0	108.9	109.3
Other commission income	7.5	7.0	21.6	20.0
Total commission income	44.0	45.0	130.5	129.3
Commission expenses				
Other commission expenses	-0.9	-0.8	-2.9	-2.9
Total commission expenses	-0.9	-0.8	-2.9	-2.9
Net commission income	43.1	44.2	127.6	126.4

Note 4. Net credit losses

SEK million	Group and Parent company			
	2021 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Expected credit losses on items in the balance sheet				
Net loss provision for the period, Stage 1	1.0	-0.3	1.3	-4.8
Net loss provision for the period, Stage 2	2.6	-4.4	13.1	-8.5
Total net credit losses non-credit-impaired lending	3.6	-4.7	14.4	-13.3
Net loss provision for the period, Stage 3	10.4	-2.8	4.6	-9.8
Realized net credit losses for the period	-32.8	-15.8	-77.4	-53.2
Total net credit losses credit-impaired lending	-22.4	-18.6	-72.7	-62.9
Total net credit losses	-18.9	-23.3	-58.3	-76.3
Loss provisions on loans measured at amortized costs	-112.4	-123.1	-112.4	-123.1

Note 5. Lending to the public

2021-09-30. SEK million	Group and Parent company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	2,124.6	390.1	142.5	2,657.2
Provisions for expected credit losses	-17.3	-32.5	-62.5	-112.4
Net lending to the public	2,107.3	357.6	79.9	2,544.8

2020-09-30. SEK million	Group and Parent company			
	Stage 1	Stage 2	Stage 3	Total
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

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 September 30 2021 to SEK 21,7 million (2,7).

Note 6. Deposits and borrowings from the public

SEK million	Group / Parent company		
	2021-09-30	2020-09-30	2020-12-31
Deposits and borrowings from the public	2,435.2	1,958.5	2,132.9
By category			
Private individuals	2,435.2	1,958.5	2,132.9
Companies	-	-	-
Total	2,435.2	1,958.5	2,132.9
By currency			
Swedish currency	1,939.2	1,824.6	1,910.7
Foreign currency	496.1	133.9	222.2
Total	2,435.2	1,958.5	2,132.9

Not 7. Financial instruments cont.

Classification of financial instruments

2021-09-30. 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	270.7	-	-	270.7
Lending to credit institutions	-	-	283.7	283.7
Lending to the public	-	-	2,544.8	2,544.8
Derivative	-	1.9	-	1.9
Other assets	-	-	38.8	38.8
Accrued income	-	-	1.2	1.2
Total financial instruments	270.7	1.9	2,868.6	3,141.1
Other non-financial instruments				250.6
Total assets				3,391.8
Liabilities				
Liabilities to credit institutions	-	-	146.0	146.0
Deposits and borrowings from the public	-	-	2,435.2	2,435.2
Other liabilities	-	-	83.2	83.2
Accrued expenses	-	-	52.5	52.5
Subordinated debt	-	-	100.0	100.0
Total financial instruments			2,817.0	2,817.0
Other non-financial instruments				11.6
Total liabilities				2,828.6

2020-09-30. 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	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

Note 7. Financial instruments cont.

Classification of financial instrument

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
Derivative	-	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

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)

2021-09-30, SEK million	Group			
	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	-	270.7	-	270.7
Derivative	-	1.9	-	1.9
Summa tillgångar	-	272.6	-	272.6

2020-09-30, SEK million	Group			
	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	-	375.1	-	375.1
Summa tillgångar	-	375.1	-	375.1

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

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 Jul – Sep			2020 Jul - Sep		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income	41.9	22.9	64.8	40.6	19.3	59.8
Interest expenses	-5.5	-3.9	-9.4	-5.4	-3.6	-8.9
Net commission income	43.0	0.1	43.1	44.1	0.1	44.2
Net profit/loss from financial transactions	-0.5	-	-0.5	-0.1	-	-0.1
Other operating income	2.5	-	2.5	2.0	-	2.0
Total operating income	81.5	19.0	100.5	81.3	15.8	97.1
Net credit losses	-16.5	-2.4	-18.9	-18.0	-5.3	-23.3
Total operating income less credit losses	65.0	16.7	81.7	63.3	10.5	73.8

SEK million	Group					
	2021 Jan – Sep			2020 Jan – Sep		
	Payment solutions	Digital banking services	Total	Payment solutions	Digital banking services	Total
Interest income ¹	127.5	64.8	192.3	120.8	54.5	175.3
Interest expenses	-17.1	-11.5	-28.6	-16.1	-10.3	-26.4
Net commission income ¹	127.3	0.3	127.6	126.0	0.3	126.4
Net profit/loss from financial transactions	-1.2	-	-1.2	0.1	-	0.1
Other operating income	7.3	-	7.3	4.6	-	4.6
Total operating income	243.8	53.6	297.4	235.4	44.5	279.9
Net credit losses	-56.3	-2.0	-58.3	-60.0	-16.3	-76.3
Total operating income less credit losses	187.5	51.6	239.1	175.4	28.3	203.7

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 2,545 million (2,201 as of September 30, 2020 and 2,460 as of December 31, 2020), SEK 1,469 million (1,305 as of September 30, 2020 and 1,524 as of December 31, 2020) refers to Payment solutions and SEK 1,076 million (896 as of September 30, 2020 and 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 Jul – Sep	2020 Jul – Sep	2021 Jan – Sep	2020 Jan – Sep
Payment solutions				
Lending commissions				
Sweden	29.7	29.3	89.6	81.4
Finland	1.6	1.7	5.0	5.7
Denmark	0.8	1.5	1.9	4.8
Norway	4.3	5.4	12.0	17.0
Total	36.4	37.9	108.6	109.0
Other commission income				
Sweden	7.1	6.8	20.4	19.1
Finland	0.1	0.1	0.3	0.3
Denmark	0.0	0.0	0.0	0.1
Norway	0.3	0.1	0.8	0.5
Total	7.5	7.0	21.6	20.0
Total commission income Payment Solution	43.9	44.9	130.2	129.0
Digital banking services				
Lending commissions				
Sweden	0.1	0.1	0.3	0.3
Total commission income Digital Banking	0.1	0.1	0.3	0.3
Total commission income	44.0	45.0	130.5	129.3

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.

		2021-09-30	2021-06-30	2020-03-31	2020-12-31	2020-09-30
	Available own funds (SEKm)					
1	Common Equity Tier 1 (CET1) capital	472.9	465.5	488.0	498.7	408.7
2	Tier 1 capital	472.9	465.5	488.0	498.7	408.7
3	Total capital	572.9	565.5	588.0	598.7	508.7
	Risk-weighted exposure amounts (SEKm)					
4	Total risk exposure amount	2,322.3	2,242.7	2,211.1	2,231.0	1,872.4
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	20.4%	20.8%	22.1%	22.4%	21.8%
6	Tier 1 ratio (%)	20.4%	20.8%	22.1%	22.4%	21.8%
7	Total capital ratio (%)	24.7%	25.2%	26.6%	26.8%	27.2%
	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%	0.0%
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%	2.5%
EU 11a	Overall capital requirements (%)	10.6%	10.6%	10.6%	10.6%	10.5%
12	CET1 available after meeting the total SREP own funds requirements (%)	13.3%	13.7%	15.0%	15.4%	14.8%
	Leverage ratio					
13	Total exposure measure (SEKm)	3,306.1	3,262.3	3,231.4	3,089.1	2,716.8
14	Leverage ratio (i %)	14.3%	14.3%	15.1%	16.1%	15.0%
	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)	160.5	400.7	260.7	250.1	275.1
16a	Cash outflows – Total weighted value (SEKm)	401.5	271.5	349.4	223.1	198.7
16b	Cash inflows – Total weighted value (SEKm)	410.6	280.6	411.3	253.9	192.3
16	Total net cash outflows (adjusted value) (SEKm)	100.4	67.9	87.4	55.8	49.7
17	Liquidity coverage ratio (%)	159.9%	590.5%	298.4%	448.4%	553.6%
	Net Stable Funding Ratio					
18	Total available stable funding (SEKm)	3,014.9	3,058.8	3,046.7	2,924.9	2,591.2
19	Total required stable funding (SEKm)	2,392.2	2,336.6	2,283.4	2,327.4	2,089.2
20	NSFR ratio (%)	126.0%	130.9%	133.4%	125.7%	124.0%

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.

	2021-09-30		2021-03-31		2020-12-31		2020-09-30		2020-06-30	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Risk-weighted capital requirement										
Risk-weighted exposure amounts										
Total risk-weighted exposure amount	2,322.3	-	2,242.7	-	2,211.1	-	2,231.0	-	1,872.4	-
Capital requirement (Pillar 1 requirement)¹										
Common Equity Tier 1 (CET1) capital	104.5	4.5%	100.9	4.5%	99.5	4.5%	100.4	4.5%	84.3	4.5%
Tier 1 capital	139.3	6.0%	134.6	6.0%	132.7	6.0%	133.9	6.0%	112.3	6.0%
Total capital requirement	185.8	8.0%	179.4	8.0%	176.9	8.0%	178.5	8.0%	149.8	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	58.1	2.5%	56.1	2.5%	55.3	2.5%	55.8	2.5%	46.8	2.5%
Institution specific countercyclical capital buffer	1.2	0.1%	1.2	0.1%	1.1	0.1%	1.1	0.1%	0.9	0.0%
Combined buffer requirement	59.3	2.6%	57.3	2.6%	56.4	2.6%	56.9	2.6%	47.7	2.5%
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	163.8	7.1%	158.2	7.1%	155.9	7.1%	157.3	7.1%	132.0	7.0%
Tier 1 capital	198.6	8.6%	191.9	8.6%	189.1	8.6%	190.7	8.6%	160.0	8.5%
Total Overall capital requirements	245.1	10.6%	236.7	10.6%	233.3	10.6%	235.4	10.6%	197.5	10.5%
Available own funds (Capital base)										
Common Equity Tier 1 (CET1) capital	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%	408.7	21.8%
Tier 1 capital	472.9	20.4%	465.5	20.8%	488.0	22.1%	498.7	22.4%	408.7	21.8%
Total available own funds	572.9	24.7%	565.5	25.2%	588.0	26.6%	598.7	26.8%	508.7	27.2%

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

2) 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)

	2021-09-30		2021-03-31		2020-12-31		2020-09-30		2020-06-30	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Leverage ratio – Capital requirements										
Total exposure amounts										
Total exposure amounts	3,306.1	-	3,262.3	-	3,231.4	-	3,089.1	-	2,716.8	-
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	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%	81.5	3.0%
Special leverage requirement (Pillar 2 requirement)²										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Notification (Pillar 2 guidance)³										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total Overall capital requirements	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Overall leverage requirements										
Common Equity Tier 1 (CET1) capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Tier 1 capital	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%	81.5	3.0%
Total Overall capital requirements	99.2	3.0%	97.9	3.0%	96.9	3.0%	92.7	3.0%	81.5	3.0%
Available Common Equity Tier 1- and Tier 1 Capital (Capital base)										
Common Equity Tier 1 (CET1) capital	472.9		465.5		488.0		498.7		408.7	
Tier 1 capital	472.9		465.5		488.0		498.7		408.7	
Total Overall capital requirements	572.9		565.5		588.0		598.7		508.7	

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 2021-09-30 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 279 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 2,545 (2,201) million at the end of the quarter. The lending was financed by the amount of SEK 146 (128) million via a secured contracted credit facility and SEK 2,435 (1,958) million through deposits from the public (savings accounts) in Sweden and Germany, of which 99.8 percent are protected by the deposit insurance scheme in Sweden. Deposits from the public were divided into 56 percent on demand with variable rate and 44 percent fixed interest rate with a duration of 161 days as of September 30, 2021 (initially 6-month fixed rate and 1-year fixed rate). Correspondingly, 23 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, 2021 amounted to SEK 551 million, consisting of:

- Investments in debt securities: SEK 270 million
- Bank balances in Nordic Banks: SEK 281 million

In addition to the financial investments, Qliro AB had as of September 30, 2021 SEK 654 million in back up liquidity via undrawn funding in a secured committed credit facility.

As of September 30, 2021, the liquidity coverage ratio amounted to 160 percent for Qliro AB, to be compared with the regulatory requirement of 100 percent. The liquidity coverage ratio measures a liquidity buffer of SEK 160 million, related to net outflows of SEK 100 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 250 million in SEK denominated currency and SEK 20 million in EUR denominated currency.
- Of the debt securities denominated in EUR currency SEK 10 million invested in Finnish municipal debt securities, all other investments in Swedish municipalities securities.
- All debt securities in the portfolio had a rating of AA+ with an average maturity of 81 days.

Note 11. Event after end of period

No significant events after end of period to report.

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 Jul - Sep	2020 Jul - Sep	2021 Jan - Sep	2020 Jan - Sep
Business volume				
Pay-after-delivery volume	1,641	1,466	4,914	4,159
Return on equity, %				
Total equity, opening balance	571	485	588	528
Total equity, closing balance	563	601	563	601
Average equity (OB+CB)/2	567	543	576	564
Profit/loss for the period	-8.1	-8.6	-24.8	-51.4
Average profit/loss for the period 12 month	-32.3	-34.4	-33.1	-68.6
Return on equity, %	-5.7%	-6.3%	-5.7%	-12.2%
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	-91.4	-83.3	-268.9	-267.6
Total operating income	100.5	97.1	297.4	279.9
C/I ratio, %	90.9%	85.8%	90.4%	95.6%
Credit loss level, %				
Lending to the public, opening balance	2,479	2,151	2,460	2,070
Lending to the public, closing balance	2,545	2,201	2,545	2,201
Average lending to the public (OB+CB)/2	2,512	2,176	2,503	2,136
Net credit losses	-18.9	-23.3	-58.3	-76.3
Average net credit losses 12 month	-75.5	-93.1	-77.7	-101.7
Credit loss level, %	3.0%	4.3%	3.1%	4.8%
Credit loss level Digital banking services, %				
Lending to the public, Digital banking services, opening balance	1,021	851	937	727
Lending to the public, Digital banking services, closing balance	1,076	896	1,076	896
Average lending to the public Digital banking services (OB+CB)/2	1,049	874	1,006	812
Net credit losses	-2.4	-5.3	-2.0	-16.3
Average net credit losses Digital banking services 12 month	-9.5	-21.2	-2.6	-21.7
Credit loss level Digital banking services, %	0.9%	2.4%	0.3%	2.7%
Credit loss level, % in relation to pay-after-delivery (PAD) volume				
Net credit losses, PAD	-16.5	-18.0	-56.3	-60.0
Pay-after-delivery (PAD) volume	1,641	1,466	4,914	4,159
Credit loss level, % in relation to pay-after-delivery (PAD) volume	1.0%	1.2%	1.1%	1.4%
Profit/loss for the period adjusted for Items affecting comparability				
Profit/loss for the period	-8.1	-8.6	-24.8	-51.4
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	-8.1	-8.6	-24.8	-32.6

RECONCILIATION TABLES cont.

SEK million (unless otherwise stated)	2021 Jul – Sep	2020 Jul - Sep	2021 Jan – Sep	2020 Jan – Sep
Net commission adjusted for items affecting comparability				
Commission income	44.0	45.0	130.5	129.3
Commission expenses	-0.9	-0.8	-2.9	-2.9
Net commission income	43.1	44.2	127.6	126.4
Items affecting comparability (accrual commission)	-	-	-	5.0
Net commission adjusted for items affecting comparability	43.1	44.2	127.6	131.4
Net interest income adjusted for items affecting comparability				
Net interest income	55.4	50.9	163.7	148.9
Items affecting comparability (accrual commission)	-	-	-	3.4
Net interest income adjusted for items affecting comparability	55.4	50.9	163.7	152.3
Operating profit/loss less depreciation/amortization of tangible and intangible assets				
Operating profit/loss	-9.7	-9.5	-29.8	-63.9
Depreciation/amortization of tangible and intangible assets	24.7	20.8	71.8	79.7
Operating profit/loss excl. depreciation/amortization of tangible and intangible assets	15.0	11.3	42.0	15.8
Operating profit/loss adjusted for items affecting comparability				
Operating profit/loss	-9.7	-9.5	-29.8	-63.9
Items affecting comparability	-	-	-	24.0
Operating profit/loss adjusted for items affecting comparability	-9.7	-9.5	-29.8	-39.9
Total operating income	100.5	97.1	297.4	279.9
of which Payment Solutions	81.5	81.3	243.8	235.4
of which Digital banking services	19.0	15.8	53.6	44.5
Total operating income adjusted for items affecting comparability				
Total operating income	100.5	97.1	297.4	279.9
Items affecting comparability (accrual commission)	-	-	-	8.4
Total operating income adjusted for items affecting comparability	100.5	97.1	297.4	288.3
Total operating income margin, %				
Lending to the public, opening balance	2,479	2,151	2,460	2,070
Lending to the public, closing balance	2,545	2,201	2,545	2,201
Average lending to the public (OB+CB)/2	2,512	2,176	2,503	2,136
Total operating income	100.5	97.1	297.4	279.9
Average profit/loss for the period 12 month	402.1	388.3	396.5	373.2
Total operating income margin, %	16.0%	17.8%	15.8%	17.5%
Lending to the public	2,545	2,201	2,545	2,201
of which Payment Solution	1,469	1,305	1,469	1,305
of which Digital banking services	1,076	896	1,076	896

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 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, October 26th, 2021

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

Carolina Brandtman
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 October 26th 2021 .

Review report

To the Board of Directors of Qliro AB
Corp. id. 556962-2441

Introduction

We have reviewed the condensed interim financial information (interim report) of Qliro AB as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies, and for the Parent Company in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 26 October 2021

KPMG AB

Mårten Asplund
Authorized Public Accountant

Webcast/Phone conference

Media, analysts and investors are invited to a conference call on the 26th of October at 10 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 8 505 583 56

UK: +44 333 300 90 31

US: +1 646 722 49 56

Link to the webcast: <https://tv.streamfabriken.com/qliro-q3-2021>

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

FINANCIAL CALENDAR 2021

8 February 2022, 07.30 AM	Year-end report 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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