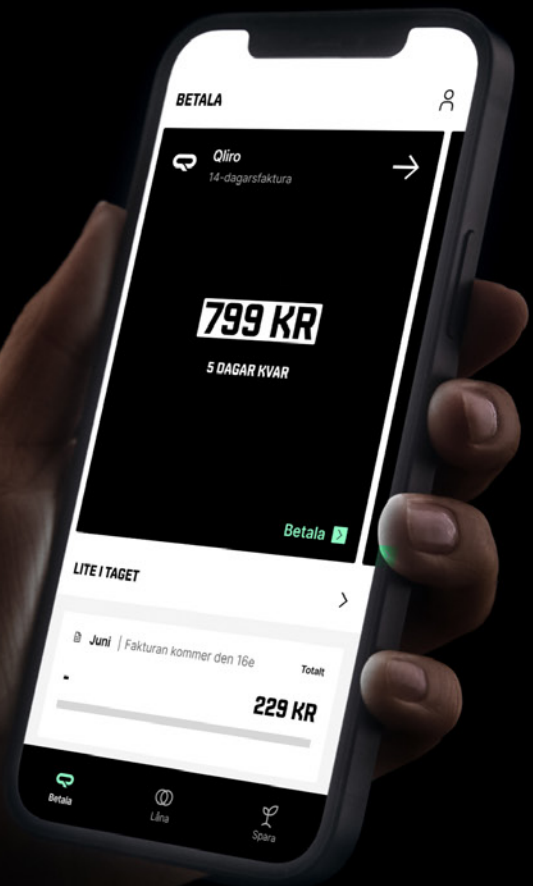




# ANNUAL AND SUSTAINABILITY REPORT 2022



# WELCOME TO QLIRO

Qliro is a fintech company that offers leading e-merchants online payment solutions. The payment solution is primarily based on a complete checkout solution optimized for high conversion, flexible design and increased sales, to fast-growing small and medium-sized (SME) and large (enterprise) e-merchants. Qliro provides all relevant payment methods and follows the e-merchants on their international expansion but with a current focus on e-merchants based in the Nordic region where Qliro also offers its own payment methods invoice and pay-after-delivery (PAD).

Qliro also offers other digital financial services to private individuals in Sweden, such as savings accounts and personal loans within the business segment Digital Banking Services.

The company was founded in 2014 as part of CDON group to create the market's best consumer experience for payments with a focus on high flexibility for enterprise customers and since 2017 Qliro is a credit market company under the supervision of the Swedish Financial Supervisory Authority. Operations are conducted from the head office in Stockholm. In total, 5.5 million unique consumers have used Qliro's checkout at the company's merchants during 2022. In October 2020, Qliro was listed on Nasdaq Stockholm under the ticker "QLIRO". Since 2021, Qliro has also started to package the payment solution to help even small and medium-sized e-merchants with high ambitions.

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

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

Alternative Performance Measures are key indicators not defined in the International Financial Reporting Standards (IFRS) or in the fourth Capital Requirements Directive (CRD IV) or in the EU's Capital Requirements Regulation (CRR) 575/2013. The financial performance measures are used internally to monitor and govern operations. These measures are not directly comparable to similar financial measures presented by other companies; for definitions of key performance measures, see pages 79–80. The Annual & Sustainability report is published in Swedish and English. The Swedish version is the original and shall apply in any instance where the two versions differ. Qliro AB, with corporate ID number 556084-0315, has its registered address in Stockholm. For more information on Qliro's operations, visit [qliro.com](http://qliro.com) or contact us at [ir@qliro.com](mailto:ir@qliro.com)

## OUR HISTORY

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

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

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

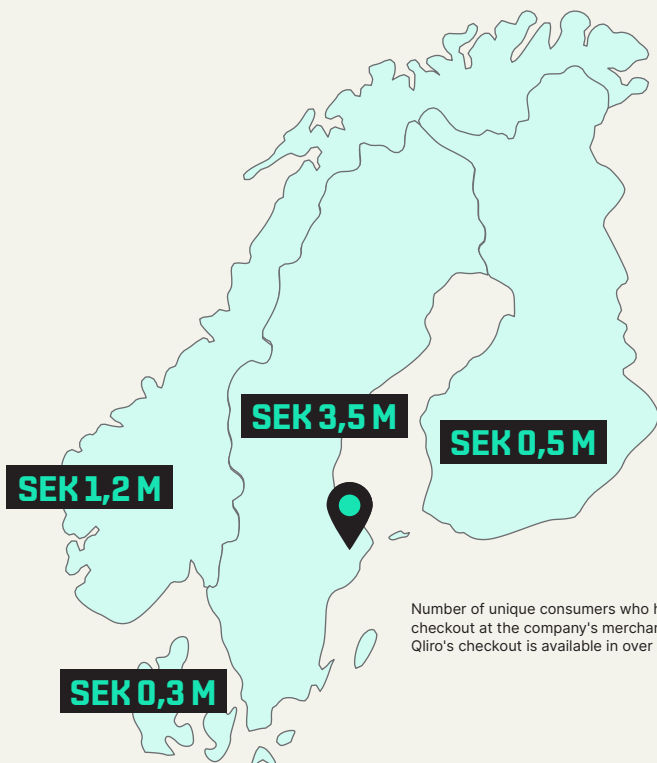
Qliro strengthens its market position through contracts with e-merchants such as Inet and CAIA Cosmetics.

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

Qliro launches a profitability program aimed at reducing Qliro's expenses and boosting income. The aim is for Qliro to be profitable at EBT level for the full year 2023.



## OUR MARKETS



## OUR VISION

- Qliro will offer the market's best customer experience for e-merchants, partners and consumers with a focus on creating satisfied and returning customers for e-merchants.
- Through a close partnership with e-merchants, we develop our products and services to optimize their business through simple and secure payment solutions, increased sales, automated administration, loyal returning customers and geographical expansion.

## THE YEAR IN NUMBERS

### SEK 429 M

Total income [+8%]

### SEK 6,581 M

Pay-after-delivery (PAD)  
[-7% volume]

### SEK 3,320 M

Deposits and borrowings from the public [+49%]

### 6.8 MILLION

PAD transactions [-7%]

### SEK 2,687 M

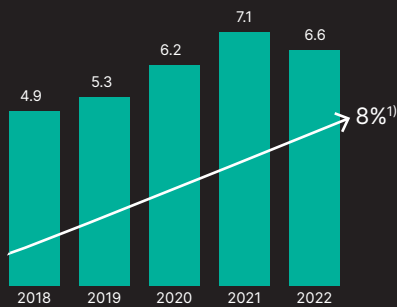
Lending to the public [-3%]

### 17.1%

Total capital ratio (22.4%)

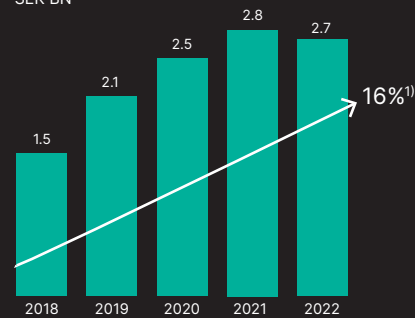
Pay-after-delivery volume

SEK BN



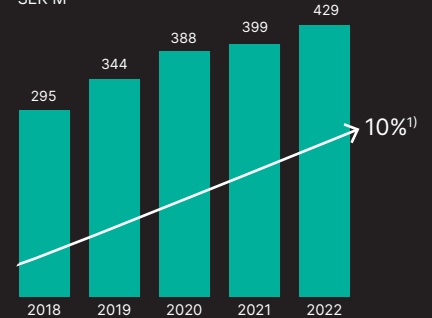
Lending to the public, net

SEK BN



Total income <sup>1)</sup>

SEK M



1) Compound annual growth rate (CAGR)

2) Adjusted for non-recurring items

### 5.5 MILLION

Unique consumers who used Qliro checkout at its merchants

### 4.4

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

### 181

Average number of employees (208)

### 58

The number of connected merchants

### +23

Average employee Net Promotor Score [+24]

### 15,172

Shareholders (16,339)

# HIGHLIGHTS OF THE YEAR

## Q1

- Launch of payment solution for the successful e-retailer Stronger.
- Jonas Arlebäck appointed as acting CEO of Qliro.
- Partnership entered into with market-leading e-commerce platform Centra with a focus on strengthening consumer brands.

## Q2

- Launch of new strategy with a stronger focus on payments, "Safe and Simple Payments".
- Patrik Enblad is elected as Qliro's new Chairman of the Board by the Annual General Meeting. He succeeded Lennart Jacobsen, who had been Chairman of the Board since 2018.
- Mikael Kjellman, formerly CEO and founder of online beauty company Skincity, is elected as a new member of Qliro's Board of Directors.

## Q3

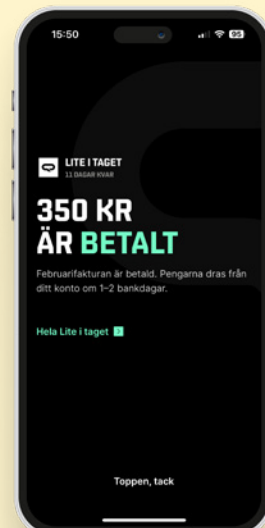
- Introduction of profitability program aimed at accelerating implementation of the company's strategy and improving the company's profitability. The purpose of the initiatives is to reduce Qliro's expenses and boost income. The aim is for Qliro to be profitable at EBT level for the full year 2023.
- Christoffer Rutgersson is appointed as Qliro's new CEO by the Board of Directors. He succeeded Jonas Arlebäck, who had been acting CEO since February 2022.

## Q4

- The profitability program is proceeding according to plan with several rationalization and digitization initiatives that will generate cost savings over the coming years.
- Black Week and Christmas sales went successfully and without incidents thanks to our investment in a new, modern method for continuous testing of our systems.
- The new strategy delivers results and Qliro grows with 4 new merchants in the SME segment.
- New management team after Qliro welcomes two permanent members to the management team.

### A sample list of our partners

CDON	Twistshake
Nelly	Parfym
Biltema	Inkclub
Lyko	CAIA Cosmetics
Inet	Stronger
Nordicfeel/Eleven/Blush	Dramaten





## A TRANSFORMATIVE 2022 CREATES A STRONG PLATFORM FOR CONTINUED GROWTH

2022 was a transformative year for Qliro. In April we launched a new strategy focusing on payment solutions, as well as a service offering that now also includes small and mid-sized merchants (SMEs). In June, Qliro's Board of Directors adopted profitability measures to make the company profitable at EBT level in the full year 2023.

Before assuming the role of CEO in October 2022, I was privileged to work on driving efforts to improve profitability and plan for accelerated growth. Parallel to this work, which started in the spring, I focused strongly on building an organization and an agile team dedicated to creating the market's best customer experience for e-merchants, in order to position Qliro for accelerated growth. During the year, income increased by 8 percent to SEK 428.9 million while expenses rose by 1 percent, adjusted for the profitability program.

### **New strategy with a clear focus on e-merchants and payments**

Payments are the core of our business, and e-merchants were among those involved in founding Qliro. This continues to guide our strategy, so it is natural that our focus extends to creating the market's best experience for merchants, partners and consumers. Our strategy is based on being best in Europe at payment solutions for e-merchants. In this regard we have scaled up our sales teams, streamlined our onboarding processes and invested in improving our product offering. As a result, we saw a growing pipeline of new merchants during the year. We had 58 merchants at year-end, compared with 50 at the end of 2021. This clearly indicates that the strategy is having the desired effects, and we look forward to continuing to deliver on our new strategy in 2023.

### **Sustained income growth, +9% in Payment Solutions despite a decline in e-commerce**

In 2021 we experienced a spike in e-commerce driven by the pandemic. As a result of the gradual return to a more

normal situation in 2022, volumes were reduced from the extraordinary levels seen in 2021. According to Svensk Handel's (Swedish Trade Federation) e-commerce indicator, e-commerce volumes fell 9 percent in 2022 compared with the same period in 2021, and Qliro saw its pay-after-delivery (PAD) volume decrease by 8 percent during the same period. Income in Payment Solutions continues to grow despite a decline in invoice volumes. During the year we noted a shift in consumer behavior, with more consumers choosing to pay for their purchases before delivery following our launch of Swish, Vipps and Mobile-Pay in our checkout. At the same time, part payment volumes increased although invoice volume decreased. Qliro is well-positioned to meet this trend given that part payment is more profitable than invoice payments, which compensated for the drop in invoice volumes. Income in Payment Solutions was SEK 356.7 million, representing an increase of 9 percent.

### **Clear strategy for strengthened position in payment solutions**

As part of the new strategy with a stronger focus on payments, we launched our new visual identity to emphasize our focus on secure, simple payments in e-commerce with the aim of helping merchants increase their sales. We have improved the user experience for all payment solutions by further developing our checkout (Qliro One Checkout) as well as our app and website. In addition, during the year we launched new mobile payment methods including Vipps, MobilePay and Swish. Going forward, our strategy entails a continued commercial focus on SME and Enterprise. This led us to triple our sales team during the year

and we are now starting to see the effects of our efforts. This intensified commercial focus, along with a continued focus on costs and rationalization, is central to our profitable growth journey.

#### **Stabilization of Digital Banking Services towards year-end**

Income in Digital Banking Services amounted to SEK 72.4 million, a decrease of 1 percent. This is primarily due to our termination of direct email marketing to payment customers during the year, which contributed to a decline in the loan book for the year. We see opportunities for improving the way we manage our personal loan operations without marketing directly to our payment customers, for instance by proactively offering top-up loans and improving our communication with customers during application processes.

#### **Important initiatives for a stronger credit portfolio led to higher recognized credit losses**

During the year, credit losses increased to SEK 134.1 million (81.9). This was primarily driven by an increasingly uncertain macroeconomic environment in 2022, which lead us to increase our provisions in accordance with IFRS 9. Qliro also made impairments in the credit portfolio in 2022 with the aim of improving the credit portfolio's quality for 2023. During the year, we welcomed Stefan Sjöström as the new permanent Chief Credit Risk Officer for Qliro. Stefan has lengthy experience in credit risk and the modern modeling methods that Qliro uses, and will make an important contribution to our credit loss management going forward. Early in 2023, we also stepped up efforts to minimize credit loss through operational and communicative measures with customers.

#### **Well-equipped to achieve positive EBT in 2023 with improved efficiency**

In June, Qliro's Board of Directors adopted profitability measures to make Qliro profitable at EBT level for the full year 2023 and create prerequisites for growth. In total, SEK 46.5 million was incurred as expenses in this transformation. These expenses are primarily a result of digitization initiatives and the streamlining of various functions in our operations with the aim of creating a better customer experience, greater process efficiency and stronger commercial ability. We have also optimized our office space in relation to the organization, which will rationalize our cost base in the coming year by around SEK 5 million. Moreover, we have accelerated the amortization

of historical technology investments, due to having upgraded our platform in order to create scalability and a modern data platform. Other costs are primarily consulting costs for the implementation of several profitability investments, including review and negotiation of external costs. As part of the digitization process, in the fourth quarter we migrated our previous customer support systems to a more modern platform which will raise our operational efficiency in 2023. In January 2023 we implemented our new CRM system for marketing, sales and onboarding, to improve our sales process. In the first quarter of 2023, we will upgrade our financial system in order to optimize our financial process and improve profit reporting for our payment operations. Together, digitization and automation are expected to generate cost savings of at least SEK 10 million. These efforts have been successful. We have now incurred all the costs relating to the measures and expect them to start paying off in 2023. The effects are expected to lead Qliro to profitability in 2023 and will gain full impact in the full year 2024.

#### **Outlook**

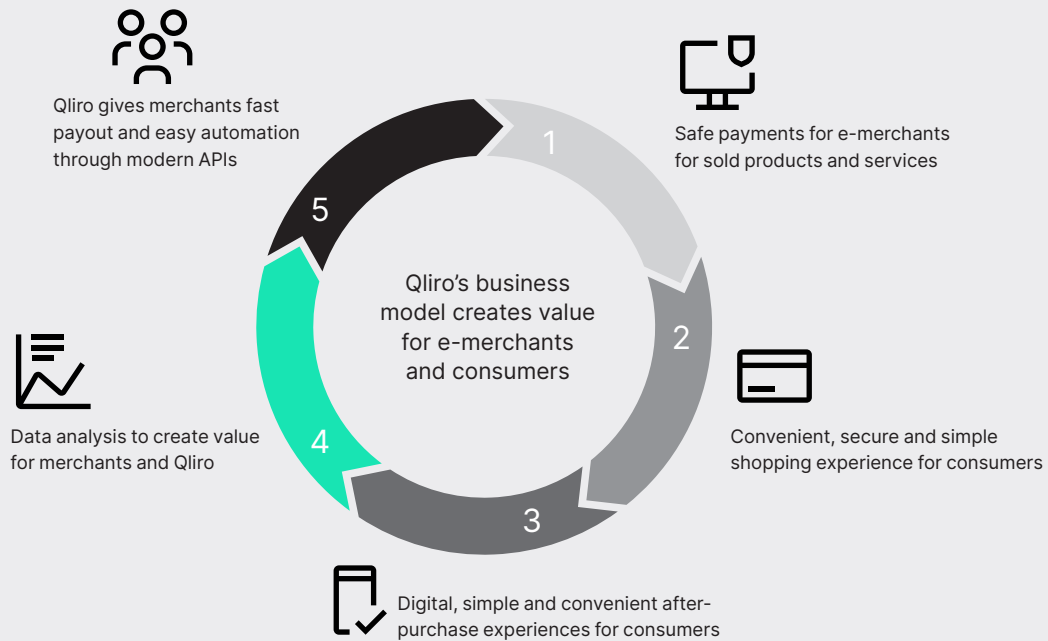
We have taken significant steps forward in the past year and are well-positioned to accelerate our growth in the coming years. Despite the macroeconomic uncertainty with high inflation, interest rate hikes and the terrible ongoing war in Ukraine, I remain positive about our future growth journey, especially given e-merchants' increased focus on improving their customer journey in order to create loyal returning customers. We will continue to focus on costs and necessary rationalization measures, combined with growth investments to attain our profitability targets. In summary, we are well-equipped to deliver on our strategy and achieve profitability at EBT level for the full year 2023. Finally, I take this opportunity to warmly thank all our employees, whose commitment and hard work has been crucial to the implementation of Qliro's profitability program and product development over the past year. I am proud of the hard work carried out during the fall, and of our new team of leaders, 70% of whom assumed their new roles at the start of 2022. We achieved an employee satisfaction level of >25% eNPS in Q4. I look forward to continuing working with our customers to build an even stronger and more successful future for Qliro.

Christoffer Rutgersson  
CEO

# BUSINESS MODEL

## Qliro's business model - more than just payments

The core business is payments, but Qliro's solution is bigger than that. The customer shops for goods, has the goods delivered and pays in the app. By being clear and transparent, Qliro makes payment convenient. Qliro creates value for e-merchants by increasing sales, improving cash flow and boosting income. Qliro also manages credit and fraud risks.



**1.** Qliro attracts larger, midsized and small e-merchants in the Nordics with its flexible checkout solution. The strategy is to be a reliable partner to e-merchants and offer their customers an outstanding customer experience. Qliro's checkout offers.

- A broad consumer base with a high proportion of saved consumer profiles and an optimized offer of the right local payment methods per market.
- Flexible design and great flexibility in configuring both delivery and payment options to suit the merchant's webshop with ready-made integrations to leading e-commerce platforms.
- Functions for increasing sales, e.g. upselling after purchase.

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

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

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

**5.** Qliro's e-merchants receive fast and secure payment as Qliro is responsible for both credit and fraud risk from the consumer. In addition, order management, returns, complaints and accounting are easily automated with Qliro's flexible and modern API.

**»Qliro strives to be a reliable partner to e-merchants and offer their customers an outstanding customer experience.«**



# SUSTAINABILITY REPORT

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

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

The sustainability report 2022 comprises Qliro AB (publ) and its subsidiaries. This is Qliro's third sustainability report prepared in accordance with chapters six and seven of the Annual Accounts Act. The auditor's opinion regarding the statutory sustainability report can be found on page XX.

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

## Business model

Qliro is a credit market company under the supervision of the Swedish Financial Supervisory Authority. Sweden is the main market, but Qliro also operates in Norway, Finland and Denmark. Qliro's operations are divided into two business segments: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing for e-commerce, and the latter comprises personal loans and other digital financial services.

Qliro was founded in 2014 and offers payment solutions that help to convert visitors to the e-merchant's website into paying customers. The payment service ensures that e-merchants receive payment for their goods and allows consumers to shop securely and pay for their purchases by invoice or part payment.

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

## Sustainability management

Ultimate responsibility for sustainability issues rests with Qliro's Board of Directors, which decides on the strategic direction and establishes Qliro's policy framework and control processes. The CEO is responsible for integrating the sustainability work into the operations, and each function is responsible for driving and developing the work in its area. Qliro has a comprehensive policy framework, including the following policies that have an impact on sustainability.

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

### Qliro's most significant risks in this area involve:

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

As a regulated credit market company and given the nature of Qliro's business, risk and risk management are natural elements in the daily operations for Qliro. To manage risk, Qliro strives continuously to maintain a good risk culture, a high level of risk awareness and a cautious approach to taking risk. The Board of Directors decides on Qliro's risk appetite and has a well established structure for internal governance and control of risk management. All internal governing documents adopted by the Board are reviewed and updated annually, or more often if needed. The Board and, according to instructions from the Board, the CEO are responsible for regularly evaluating whether Qliro's overarching risks are monitored and managed effectively and appropriately. The Board has established a committee to support its work – the Risk, Capital, Audit and Compliance Committee ("RCACC") – whose tasks include ensuring that risk taking is well-balanced and controlled, monitoring the financial reporting and ensuring that internal control is effective. For more information on the RCACC, see page 34. The company has implemented internal structures, procedures and processes for internal governance in accordance with the Swedish FSA's Regulations and General Guidelines (FFFS 2014:1) regarding governance, risk management and control at credit institutions.

### Risk management based on three lines of defense

Qliro's risk management is based on the three lines of defense model. Risks that could materially impact Qliro's strategic, operational, reporting and compliance goals must be managed correctly and sufficiently. Qliro systematically assesses the risks that the company faces to identify, analyze and evaluate current and potential risks and how they are handled and reported. This assessment is performed through the risk management process, which comprises six steps: risk identification, risk analysis, risk assessment, risk management, risk monitoring and reporting. Qliro's risks and risk management are described in more detail in each focus area and on pages 28-30 in the Directors' Report.

### Qliro works with eight UN Sustainable Development Goals

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



Qliro takes responsibility for people and society by offering a safe and healthy work environment.



Qliro promotes gender equality with equal opportunities for women and men. We are dedicated to developing a culture and workplace distinguished by gender equality, equal terms and diversity.



Qliro wants to contribute to sustainable growth and job opportunities by helping partners achieve success and grow. Qliro's convenient checkout solutions and sustainable financial solutions contribute to economic growth in our markets.



When developing new products and services, Qliro's compliance function is brought in at an early stage to ensure that regulations are followed and that appropriate processes and control routines are in place.



Qliro wants to contribute to reducing inequalities and is a company with equal opportunities for all regardless economic or social status.



As a basic prerequisite for conducting responsible and sustainable lending, Qliro carries out credit checks and processes to ensure that customers can repay their debt and to avoid overindebtedness.



Qliro is a small actor in a global context with little direct impact on climate change. We still believe that we can help to drive the transition towards a sustainable future, primarily through our position between e-merchants and consumers in the Nordics.



By taking initiatives and participating in networks in the e-commerce sector, we contribute to the transition towards a sustainable future.

**Focus area 1**

# SUSTAINABLE E-COMMERCE AND REDUCED CLIMATE IMPACT



The climate issue and the global climate crisis are among the biggest challenges of our time and a challenge that we at Qliro believe everyone in society must collaborate to solve. Qliro is a small actor in the global context, but we believe we can help to drive the transition to a more sustainable future through conscious choices in our daily activities.

## Climate impact and initiatives in day-to-day operations

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

In 2022, Qliro focused on the internal climate impact of its offices. For example, Qliro uses organic, Nordic Swan Ecolabel and Fairtrade products and prioritizes vegetarian alternatives. There is waste management facilities in several locations around the office, including in the kitchen for paper, food waste, plastic and hazardous waste. Qliro has also opted to rent used machines for coffee instead of new ones, to reduce consumption of new machines. The machines and electronics that Qliro has purchased are later resold for reuse or recycling to give them a longer life and to save the planet's resources. Qliro has completed a travel policy that is included in the personnel handbook, where Qliro as a company encourages its employees to travel in a responsible way.

## Energy consumption

All electricity used in Qliro's operations comes from 100% renewable sources. The office premises is certified according to BREEAM level 4 of 6, Very Good. BREEAM certification originally comes from the UK and is the most widely used system for environmental certification in Europe, measuring a property's environmental performance in a number of areas.

kWh	2022
Electricity consumption – share of property	92,372
Heat consumption – share of property	29,554
Cooling consumption – share of property	10,852
Electricity consumption – data centers	198 442
<b>Total electricity consumption</b>	<b>331 220</b>

## Waste and recycling

It should be easy to recycle and take care of waste correctly. Qliro's office has clearly labeled recycling stations for paper, plastics, glass and metals. Hazardous waste currently consists of fluorescent lamps, batteries and electronics, while non-hazardous waste consists of glass, metals, cardboard, paper and plastics. In 2022, recycling

and reuse from Qliro's operations reduced CO2 emissions by over 3.8 metric tons. In 2022, Qliro also investigated the possibility of managing food waste for recycling the energy for biofuels and of reviewing paper handling to minimize unnecessary use.

Kg	2022
Total weight hazardous waste	596
Total weight non-hazardous waste reused/recycled	6,458

To ensure that hazardous materials are handled correctly and that recyclable materials are actually recycled, Qliro have chosen a supplier that offers transparency regarding handling and transportation of the materials.

## Travel

In 2022, Qliro has continued to work with the guidelines that were adopted during the Corona pandemic which means prioritizing online meetings and video conferences rather than traveling by plane, car or train to meetings. This has contributed to keeping travel at low levels in 2022 compared to before the coronavirus pandemic.

## Ambitions and results in 2022

In 2022, Qliro actively worked to improve its carbon footprint and climate impact. Qliro chose to reduce the size of its office by half to reduce the use of electricity, heating and cooling. The company also donated clothes, thermos flasks and money to aid organizations that support people affected by the war in Ukraine.

## Ambitions 2023

The objective for Qliro is to contribute more and more each year to the goals of a sustainable society for people, planet and prosperity. Qliro works actively to influence all dimensions; the economic, the social and the environmental.

As a result of the development work in environmental issues that was done in 2022, Qliro will in 2023 work on a major project that enables us to reduce all forms of paper handling, both internally and towards our end customers. This is part of our goal to digitize large parts of our communication and follow our sustainability goals.

To name a few other goals, we intend to improve our travel policy to evolve in line with Qliro's new ambitions, and to compost all food waste to recover energy for biofuel.

**Focus area 2**

# RESPONSIBLE BUSINESS AND LENDING



Qliro's main business consists of offering e-merchants in the Nordics a flexible and secure payment solution. The solution also includes modern payment methods offered through partners as well as Qliro's credit products, so-called pay-after-delivery (PAD) products, such as invoices and part payments. Qliro's solution ensures that e-merchants receive payment for their goods and that consumers can shop securely online, and offers flexibility regarding choice of payment methods.

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

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

### Responsible lending

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

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

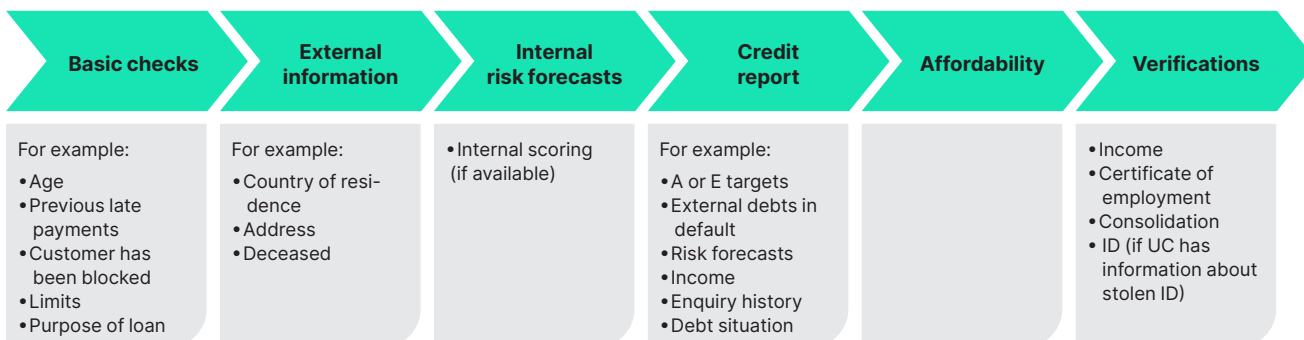
financial difficulty, a systematic credit process serves as the basis of all decisions and Qliro follows the Swedish Bankers' Association's responsible lending code. We only offer credit to individuals who we believe can repay. However, there is always a risk that customers, for various reasons, will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

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

In addition to reducing credit risks, the goal of Qliro's assessments and loan processing is to ensure sustainable, sound lending. Qliro has had stable credit loss ratios, especially for PAD products in Sweden. The credit loss ratio for personal loans increased year-on-year due to a decrease in inflow of new loans during the year, in combination with the challenging macro economic climate.

### Steps in the credit assessment

(a selection of checks)



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

### Significant risks related to responsible lending:

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

### Credit assessment in pay-after-delivery products

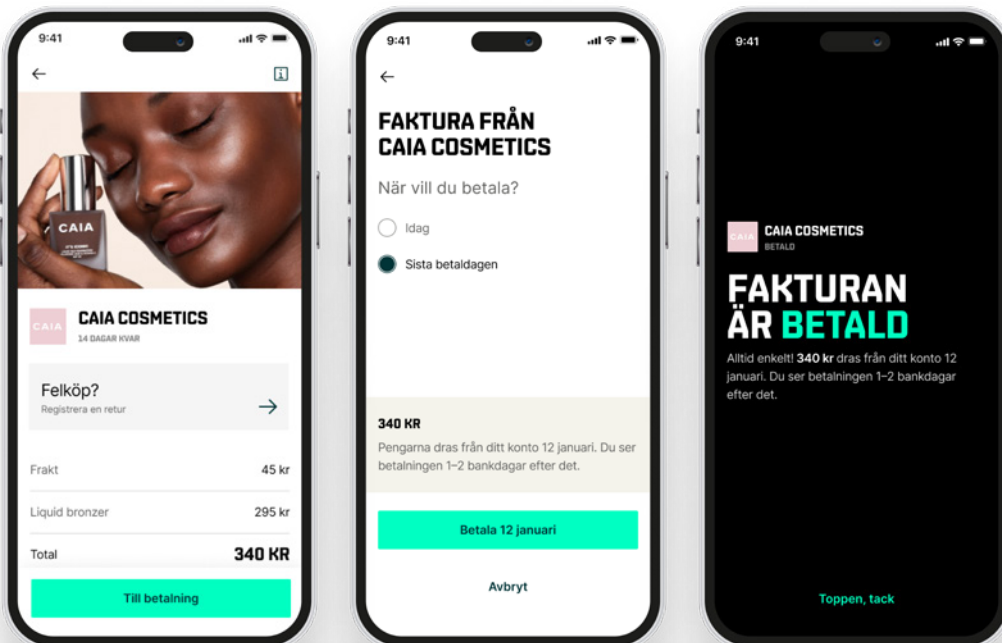
A credit assessment is completed for all purchases with Qliro's PAD products, regardless of size and duration. The controls and rules in the assessment process may vary depending on factors specific to a particular case, including geographic market, repayment period, type of product and customer history.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

Each set contains different rules depending on the market and to some extent the product. The transaction must pass through every step to be approved, with the exception of the first set, where the customer can be approved or denied immediately under certain circumstances. When external data is collected, Qliro collaborates with at least one established credit reporting company to obtain relevant data in each market. For the PAD products in Swe-

den, Qliro currently has agreements with two companies that serve as primary and secondary providers, where response time is critical. The external information that is obtained is often related to address data and basic customer information as well as non-payments, income and credit score.

### Personal loans

Personal loans are offered only in Sweden, in amounts of up to SEK 350,000 per borrower. For two borrowers, the maximum amount is SEK 500,000, but the average loan is approximately SEK 80,000. The credit assessment process for personal loans contains a similar set of rules as PAD products, with additional calculations based on information from the customer and, in certain cases, controls tied to various documents provided by the customer. Qliro further developed the internally developed personal loan scorecard in 2022. This means that the credit framework is now based to an even greater extent on statistical models than on expert rules. Qliro's personal loans are only marketed in Qliro's own digital channels, which means that Qliro knows its customers well, since more than 95 percent of all personal loan customers are previous PAD customers. Qliro's database on purchasing histories and payment patterns for PAD products is therefore critical to the credit assessment and scoring process for personal loans as well.



By developing intuitive digital services for its app, Qliro makes it easy for customers to manage their payments and reduces risk of late payment.

### Managing overdue payments

Qliro manages reminders of overdue payments using internal resources, which are activated when a customer has violated the terms of their agreement. The measures differ for different receivables depending on financial exposure, risk level and type of products. They include contacting these customers through the app, push notifications, SMS messages, email and/ or outgoing calls. The further development of digital functions and the app is an important step that makes it easier for Qliro's customers to pay on time. For example, they can now link a bank account to their payments and schedule a payment from their bank account on the due date each month. There is also an option to delay the payment date for invoices by another ten days directly in the app. If a customer is temporarily struggling to make their repayments, there are established guidelines on how it should be handled to avoid unnecessary unpaid and overdue credits, e.g., by granting a payment-free month. If a customer has not paid despite internal measures, their agreement is canceled and a claim is submitted to an outside collection agency. Canceled agreements negatively impact profitability, the brand and not least the individual. For this reason, Qliro works continuously on improving credit assessments and processes to help customers who are having difficulty adhering to their agreed repayment plan. Qliro currently has agreements with two collection agencies. When choosing collection partners, Qliro takes ethical aspects and customer relationship management into account.

### Development in 2022

In 2022, work continued on improving credit assessments and processes. Above all, focus has been placed on improving communication to people experiencing payment difficulties. This has been much appreciated by customers and contributed to more people being able to pay off their outstanding debt in time. The proportion of customers experiencing payment difficulties for Swedish PAD products remained constant during the year. The rest of the Nordic market has shown the same proportion of customers who fail to fulfill their obligations as the previous year.

In addition to the changes in credit assessment, customer management, and management of overdue receivables, Qliro divested part of the Norwegian PAD portfolio during the year. Qliro has also adjusted the IFRS 9 models to better calculate the credit risk of the overdue receivables. In addition, Qliro has adjusted the credit reserve models based on the new macroeconomic conditions.

Qliro's reported credit losses, which are a combination of established credit losses and provisions for future potential credit losses, within Payment Solutions amounted to 1.6% of the total PAD volume (1.1% in 2021). The increase in credit losses is primarily explained by increased provisions in parts of the credit portfolio that are not covered by

ongoing sales agreements with external parties, but is also due to greater macroeconomic uncertainty.

Within Qliro's second segment Digital Banking Services the credit loss ratio in relation to average lending was increased to 2.8% (0.5%). The increase in credit losses for personal loans is primarily due to increased macroeconomic uncertainty as well as a reduction in the average credit quality due to Qliro's suspension of email marketing, which has led to a changed customer profile, now with a slightly higher risk. The increase is also due to the fact that in 2021 Qliro regained a macroeconomic loss reserve since the pandemic, which means that the comparison period had an abnormally low level of credit losses.

### Combating corruption, money laundering and terrorism financing

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

Policies in the area include:

- Code of Conduct – contains principles for ethical and responsible behavior
- Conflict of Interest Policy – describes how employees and representatives of Qliro should respond to potential conflicts of interest.
- Anti-Money Laundering and Counter-Terrorism Financing Policy – describes the reasoning behind Qliro's measures to prevent money laundering and terrorism financing.

- Whistleblower Policy – ensures that Qliro’s employees can and know how to report sensitive issues such as discrimination without the risk that it could lead to negative treatment.
- Merchant Policy – fundamental principles and methods Qliro uses to ensure that all merchants, both new and existing, meet Qliro’s requirements regarding counterparty risk, volume, profitability and ethics.
- Governance Policy – ensures effective internal control and management in accordance with regulatory requirements as well as the internal framework, in order to have effective and independent control functions and for the Board’s ability to effectively monitor Qliro’s operations.

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

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

It is critical that employees are aware of the risk of corruption and the reporting routines that are used. The priority therefore is to continuously educate employees on how corruption can be combated and provide them with skills that make it easier to see the warning signs. A number of online courses are available to provide support and guidance. For example, Qliro offers ten mandatory online courses, five of which are considered especially important, and participation is continuously reported to the Board. In a measurement in the fourth quarter 2022, more than 90 percent of Qliro’s employees had completed these courses.

The courses are:

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

### **Anonymous channel for whistleblowers**

Employees who anonymously want to report improper activity can use the whistleblower channel available on Qliro’s intranet. The information is also found in the mandatory training on Qliro’s Code of Conduct.

### **Customer privacy and information security**

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

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

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

It is also essential, with the help of control systems, to identify abnormal transactions and monetary flows, as well as to adequately manage and monitor levels of authority for handling information and carrying out services. All Qliro employees are responsible for reporting incidents; Qliro’s risk control function ensures that an incident owner in the first line is assigned responsibility for managing the incident. Qliro’s information security and risk management function (ISRM) is responsible for publishing the latest versions of policies and guidelines on customer privacy and information security on the intranet for easy access.

**Focus area 3**

# ATTRACTIVE EMPLOYER



Qliro has high ambitions with regard to being an attractive employer, and we aim to create a WOW experience in everything we do. Qliro is defined by its results-oriented organization and a modern, diverse and inclusive culture that promotes learning and the health, safety and well-being of our employees. An important basis for this ambition is our shared work environment characterized by consideration and sound values. Processes for employee reviews and professional development are well-established. Examples of benefits includes pension, flexible working hours, supplemental pay during parental leave and wellness allowances.

**Diversity**

Qliro's ability to attract, develop and retain employees with the right skills is a prerequisite for maintaining a profitable business. When recruiting, Qliro looks for a variety of skills and other qualities in terms of gender, age, etc. Qliro does not tolerate any form of discrimination or harassment. When new employees are onboarded, they are informed of Qliro's values regarding gender equality, diversity and discrimination.

**Code of Conduct and work environment**

All employees are informed of and expected to adhere to Qliro's Code of Conduct. The Employee Code of Conduct clarifies

the obligations of employees and covers the following areas:

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

Qliro and its employees are jointly responsible for creating and maintaining a healthy work environment where every employee is appreciated and respected. Qliro has a set of instructions on the work environments and has established a work environment committee.

**Risk management in the area of attractive employer**

Qliro's risks as an employer mainly include:

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

Competition for talent in the tech sector in Stockholm is fierce and hiring competent employees is the key to achieving the strategic ambition and surpassing the expectations of partners and customers. Working conditions and compensation help to attract and retain employees, but even more important is to have sound values and offer an attractive workplace and inclusive culture where employees have the opportunity to develop and take responsibility. Using a digital tool, Qliro takes the weekly "temperature" of the organization on issues such as engagement, well-being and corporate culture and leadership.

These measurements serve as a catalyst for discussions within and between functions on these issues and also help to provide input on where special measures or improvements may be needed.

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

**Culture and values – crucial for Qliro as an attractive employer**

At Qliro, we believe that all employees want to succeed and contribute. We believe that a strong corporate culture will result in greater engagement, higher productivity, increased creativity and more motivated employees. We also believe that it will create greater cooperation between functions, more innovation and ultimately that our strategy will be realized and that we create better results.

**Qliro's values:**

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

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

- Sharing success stories where the values played a key role
- All company events we hold are tied in with our values
- Individual employee reviews with self-assessments linked to our values
- The values are one of the factors in the salary setting process



**Qliro's business culture:**



**Leadership**

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

Some of the many ways we work with leadership:

- A leadership program in three modules that focuses on leading at Qliro, self-leadership and leading others.
- Monthly leadership forum for networking, sharing information, additional leadership training and trading of experience between leaders, and as a way to build cross-functional networks.
- A strong People function that supports Qliro's leaders

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

**Employeeeship**

Employeeeship is Qliro's way to enable all employees to grow and take responsibility and initiative for their own and Qliro's results, but also to provide the right support for them. Employeeeship is also important because it shows a focus and commitment to everyone at Qliro. We are all important in creating a successful culture.

**» The tendency to recommend Qliro as a workplace to friends and family remained high in 2022.«**

**Transparent organization**

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

Some of the ways we are building a transparent organization:

- Company information is shared at monthly employee meetings, through brief updates on Slack or in longer updates on the intranet.
- Brief updates through Slack when, for example, Qliro is in the news or on job openings, company success stories, personal reflections, knowledge sharing, customer feedback, etc.

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

**Learning organization**

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

What we have done so far and are currently doing:

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

### Result 2022: Attractive employer

The tendency to recommend Qliro as an employer (e-NPS) decreased on average from +24 to +23 (on a scale from -100 to +100). For the comparison group Swedish TECH companies, the e-NPS value averaged +14.

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

### Results of Qliro's employee survey

Scale of 1-10	2022	2021
Leadership	8.4	8.4
Meaningfulness	7.7	7.6
Team cohesion	8.5	8.5
Participation	8.4	7.9
<b>Total</b>	<b>7.9</b>	<b>7.7</b>

We have offered our leaders leadership training to strengthen collective leadership at Qliro with a focus on self-leadership and leading at Qliro.

Our employees have been offered courses in communication and self-empowerment, which aim to provide slightly deeper training in various aspects of our business.

Work continued on our internal digital program "Good morning Qliro", which is a way to create interest in and holistic understanding of Qliro's business and for colleagues to get to know each other better.

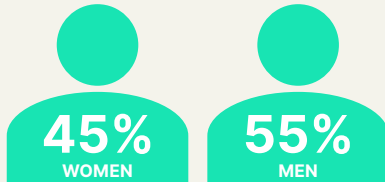
### Ambitions 2023

In 2023, our focus remains on strengthening leadership and employeeship in Qliro.

Some of our focus areas include:

- Commitment, employer branding and recruitment to ensure that the organization has the skills required to deliver on Qliro's long-term strategy.
- Maintaining an e-NPS that is at least above the industry level
- Increase knowledge of Qliro's strategy and how all employees are connected to it
- Strengthen cross-functional collaboration
- Leadership and employee development
- Greater focus on financial leadership
- Communication training
- Greater focus on employer branding and recruitment with several initiatives planned

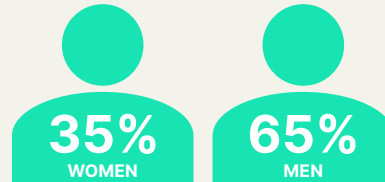
### Distribution, average number of employees



	2022		
	Women	Men	Total
Below 30 years old	44	36	80
30–50 years old	36	60	96
Above 50 years old	1	4	5
<b>Total</b>	<b>81</b>	<b>100</b>	<b>181</b>

	2021		
	Women	Men	Total
Below 30 years old	45	32	77
30–50 years old	46	74	120
Above 50 years old	5	6	11
<b>Total</b>	<b>96</b>	<b>112</b>	<b>208</b>

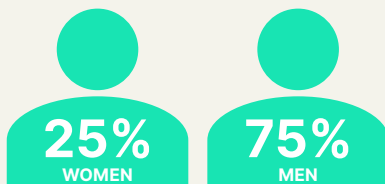
### Distribution, managers



	2022		
	Women	Men	Total
Below 30 years old	3	3	6
30–50 years old	9	17	26
Above 50 years old	1	4	5
<b>Total</b>	<b>13</b>	<b>24</b>	<b>37</b>

	2021		
	Women	Men	Total
Below 30 years old	3	0	3
30–50 years old	12	24	36
Above 50 years old	2	0	2
<b>Total</b>	<b>17</b>	<b>24</b>	<b>41</b>

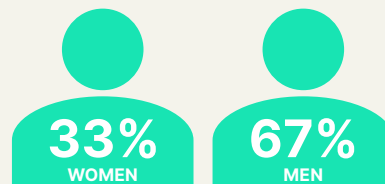
### Distribution, Executive Management



	2022		
	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	2	5	7
Above 50 years old	0	1	1
<b>Total</b>	<b>2</b>	<b>6</b>	<b>8</b>

	2021		
	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	4	6	10
Above 50 years old	1	0	1
<b>Total</b>	<b>5</b>	<b>6</b>	<b>11</b>

### Distribution, Board of Directors



	2022		
	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	0	2	2
Above 50 years old	2	2	4
<b>Total</b>	<b>2</b>	<b>4</b>	<b>6</b>

	2021		
	Women	Men	Total
Below 30 years old	0	0	0
30–50 years old	0	1	1
Above 50 years old	2	3	5
<b>Total</b>	<b>2</b>	<b>4</b>	<b>6</b>

## Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Qliro AB Corp. id. 556962-2441

### Engagement and responsibility

The Board of Directors is responsible for the Sustainability Report for 2022 on pages 9-19 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

### The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means

that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

### Opinion

A statutory sustainability report has been prepared.

Stockholm, April 4, 2023  
KPMG AB

Mårten Asplund  
Authorized Public Accountant

## Directors' Report

### Company overview

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

Qliro's operations are divided into two business areas: Payment Solutions and Digital Banking Services. The former comprises payment solutions and sales financing, while the latter comprises personal loans and other digital financial services. They are referred to as segments in the financial reporting. Qliro was founded in 2014 and offers payment solutions that help convert visitors to the e-merchant's website into paying customers. The payment service ensures that e-merchants receive payment for their goods and allows consumers to shop securely online and pay for their purchases by invoice or part payment. The payment service is used by several of the largest e-commerce companies in the Nordics, and more than 10 million consumers used Qliro's payment solution via one of the company's merchants between the time Qliro was founded and the end of 2022. Qliro also offers savings accounts and personal loans to Swedish consumers. Qliro's savings accounts are insured by the state deposit guarantee and are available with fixed or variable interest rates.

### SIGNIFICANT EVENTS DURING THE YEAR

- During the first quarter of 2022, Qliro entered into agreements with three merchants regarding payment solutions.
- During the first quarter, the Board of Directors proposed a directed share issue to the proposed Chairman of the Board Patrik Enblad.
- During the second quarter, the company launched the new "Safe and simple payments" strategy and a new graphic identity.
- During the second quarter, Qliro received notification that the Consumer Ombudsman will file a summons application with the Patent and Market Court at Stockholm District Court regarding Qliro's marketing of consumer loans.
- At Qliro's Annual General Meeting in the second quarter, Patrik Enblad was elected as Qliro's new Chairman of the Board and Mikael Kjellman was elected as a new member of Qliro's Board of Directors. The Annual General Meeting approved a directed new issue of a maximum of 550,000 shares to Patrik Enblad.
- During the second quarter, Christoffer Rutgersson was appointed as the new CEO of Qliro by the Board of Directors and assumed the role of CEO on October 1, 2022.
- Qliro's Board of Directors adopted a number of profitability measures during the second quarter. The purpose of the initiatives is to reduce Qliro's expenses and boost income. The aim is for Qliro to be profitable at EBT level for the full year 2023.
- Qliro AB's Extraordinary General Meeting of July 1, 2022 adopted the Board's decision on a directed new issue of shares and warrants to the incoming CEO Christoffer Rutgersson. Subscription will take place after an approved management assessment by the Swedish Financial Supervisory Authority.
- The new share issue to Chairman of the Board Patrik Enblad was finalized in the third quarter. The new issue provided Qliro with proceeds of SEK 9.7 million.
- The new issue of shares and warrants to CEO Christoffer Rutgersson was finalized in the fourth quarter. The new issue provided Qliro with proceeds of SEK 10.1 million.
- During the fourth quarter, Qliro received an input VAT deduction and recovered SEK 13.2 million for previously made VAT payments for the period 2020-2021.
- Qliro AB's extraordinary general meeting of December 31, 2022 decided in favor of the long-term incentive program ("LTIP 2023") and short-term incentive program ("STIP 2023") proposed by the Board of Directors.

### FINANCIAL DEVELOPMENT

#### Financial development in brief

- Total operating income increased by 8 percent to SEK 428.9 million (398.8).
- Total operating expenses increased by 12 percent to SEK -410.3 million (-365.2). Adjusted for items affecting comparability, operating expenses increased by 1 percent to SEK -374.4 million (-372.0)
- Items affecting comparability amounted to SEK 35.9 million (6.8), of which SEK 51.1 million was attributable to the profitability program, legal fees and severance pay with a negative impact on profit and SEK 15.2 million related to VAT correction with a positive impact on profit.
- Net credit losses amounted to SEK -134.1 million (-81.9) due to higher non-recurring provisions than in the comparison period.
- Operating profit was SEK -115.5 million (-48.3). Operating profit excluding items affecting comparability amounted to SEK -79.6 million (-41.4).
- Net profit for the period was SEK -93.5 million (-39.9) and earnings per share amounted to SEK -4.90 (-2.22).
- Lending to the public decreased by 3 percent to SEK 2,687 million (2,759).
- Pay-after-delivery (PAD) volume decreased by 8 percent to SEK 6,581 million (7,125) and the number of PAD transactions fell by 7 percent to 6.8 million (7.4).
- Deposits from the public amounted to SEK 3,320 million (2,231).
- Own funds amounted to SEK 439 million (542).

### Items affecting comparability

Items affecting comparability recognized in the period negatively impacted profit for the period by SEK 35.9 million in total. An item affecting comparability recognized in the first quarter 2022 for a VAT correction in the Norwegian operations reduced expenses by SEK 4.9 million in total. In addition, items affecting comparability of SEK 10.2 million and SEK 12.8 million, respectively, were recognized in the second and third quarter 2022 and negatively impacted the company's profit. Additional items affecting comparability of SEK 17.8 million were recognized related to the fourth quarter, which negatively impacted profit.

### Operating income driven by increased lending

Total operating income rose by 8 percent to SEK 428.9 million (398.8) mainly due to increased interest in Qliro's products in Payment Solutions. Net interest income increased by 7 percent to SEK 238.5 million (222.9). Interest income increased due to lending within both Payment Solutions and Digital Banking Services. Net commission income increased by 9 percent to SEK 193.8 million (177.0). Net gains and losses on financial items amounted to SEK -4.0 million (-1.4). Other income increased to SEK 0.6 million (0.4).

### Stable expenses

Total expenses increased by 12 percent in the period to SEK 410.3 million (365.2). Adjusted for items affecting comparability, Qliro's expenses totaled SEK 374.4 million (372.0) in the period, which is equivalent to an increase of 1 percent. General administrative expenses, mainly comprising

personnel expenses and IT expenses, increased by 16 percent to SEK 279.9 million (241.0). The increase was mainly due to items affecting comparability and the profitability program. Other expenses decreased to SEK 24.8 million (28.3). The decrease was mainly due to a non-recurring VAT correction in the Norwegian operations in the first quarter of 2022, a VAT repayment of SEK 10.3 million for 2020 and 2021, and an estimated VAT repayment of SEK 4.3 million for 2022, in accordance with a review by the Swedish Tax Agency in 2023. Depreciation, amortization and impairment increased by 14 percent to SEK 81.7 million (71.8). The increase primarily related to items affecting comparability comprising amortization of previously capitalized development expenses for e-merchant payment solutions, as well as consumer products, the website, and app solutions.

### Higher recognized credit losses due to revised credit model, increased provisions and impairments

Total credit losses increased to SEK 134.1 million (81.9) and are primarily attributable to changes in macroeconomic conditions, model revisions and renegotiated debt collection agreements. The credit loss ratio was 4.9 percent (3.1) of average lending.

### Lower profit

Operating profit decreased to SEK -115.5 million (-48.3). Operating profit adjusted for items affecting comparability amounted to SEK -79.6 million (-41.4 MSEK). Profit/loss for the period decreased to SEK -93.5 million (-39.9).

## Income statement, balance sheet and key performance measures in brief

SEK million except where otherwise state	2022	2021	% Δ
<b>Income statement</b>			
Total operating income	428.9	398.8	8%
Total operating income adjusted for items affecting comparability <sup>1)</sup>	428.9	398.8	8%
Total expenses before credit losses	-410.3	-365.2	12%
of which depreciation	-105.6	-96.0	10%
Net credit losses	-134.1	-81.9	64%
Operating profit/loss <sup>1)</sup>	-115.5	-48.3	139%
Operating profit/loss adjusted for items affecting comparability <sup>1)</sup>	-79.6	-41.4	92%
Profit/loss for the period	-93.5	-39.9	134%
Profit/loss for the period adjusted for items affecting comparability	-65.0	-34.4	89%
<b>Balance sheet</b>			
Lending to the public <sup>1)</sup>	2,687	2,759	-3%
of which Payment Solutions	1,807	1,699	6%
of which Digital Banking Services	879	1,060	-17%
Deposits and borrowings from the public	3,320	2,231	49%
<b>Key performance measures</b>			
Credit loss level, (% <sup>1)</sup>	4.9%	3.1%	58%
Cost/income ratio, % <sup>1)</sup>	95.7%	91.6%	4%
CET 1 capital ratio, % <sup>3)</sup>	13.2%	18.2%	-27%
Total capital Ratio, % <sup>3)</sup>	17.1%	22.4%	-24%
Pay-after-delivery volume <sup>2)</sup>	6,581	7,125	-8%

1) Alternative performance measures that management and analysts use to evaluate the company's development, which are not specified or defined in IFRS or other applicable regulations. For definition see pages 79-80.

2) Operating performance measures. For definitions see page 80.

3) Other key performance measures. For definitions see page 80.

## SEGMENT INFORMATION

### PAYMENT SOLUTIONS

Payment Solutions are offered to large, small and medium sized e-merchants in the Nordics and is Qliro's primary segment, accounting for 83 percent of total income in 2022. The solutions contain Qliro's pay-after-delivery (PAD) products for consumers when they buy goods and services online. The offering includes invoices, buy-now-pay-later products and various types of part payments. Qliro's payment solution also contains other payment methods offered through partnerships, such as card payments, direct payments from a bank account, Vipps, Mobilepay, Swish or payments through PayPal. Qliro's income is mainly generated through interest and fees associated with PAD products. The average credit is low and the maturity is short. A total of 5.5 million unique consumers used Qliro's checkout at its merchants in 2022.

### Operational development 2022

Qliro offers digital payment solutions to e-merchants in the Nordics. Income is mainly generated by offering deferred payment for online purchases (pay-after-delivery, PAD). When new merchants join the platform, Qliro's business volumes rise, which gradually drives growth in the loan book and generates interest income over time. It is not uncommon for it to take several quarters from the time a merchant signs a contract and becomes connected until significant income is generated for Qliro.

The number of connected merchants rose to 58 (50), and during the year Qliro's launched its new strategy with a stronger focus on payments.

Historically, Qliro's strategy has been focused on a customized offering for the very largest Nordic e-merchants. During the year, Qliro increased its commercial focus and investments to accelerate growth in both large ("Enterprise") and small and midsized e-merchants ("SME"), both through direct sales and through partners. To be able to on-board new merchants more efficiently, a cooperation agreement was concluded with the e-commerce platform Centra.

### Financial development 2022

PAD volume decreased by 8 percent during the year to SEK 6,581 million (7,125) and the number of transactions decreased by 7 percent to 6.8 million (7.4). The reduction in PAD volumes was driven by weaker e-commerce. Svensk Handel's (Swedish Trade Federation) e-commerce indicator published in January showed that e-commerce sales for the period January-December 2022 fell 9 percent compared with the same period in 2021. Lending, which comprises interest-bearing lending as installments and non-interest-bearing lending such as invoices or buy-now-pay-later products, increased by 6 percent to SEK 1,807 million.

Total operating income increased by 9 percent to SEK 356.7 million (326.0).

Net interest income rose by 11 percent as a result of increased interest-bearing lending, whereas the increased cost of the deposit guarantee had a negative affect. Net commission income increased by 9 percent with increased business volume having a positive affect while increased transaction costs for Qliro One had a negative effect. Other income, including net gains and losses on financial transactions, decreased to SEK -3.4 million (-1.0) primarily due to FX differences and volatility of the SEK against other currencies.

Credit losses amounted to SEK 107.2 million (76.6) in 2022, and were primarily attributable to increased provisions for parts of the credit portfolio that are not covered by ongoing sales agreements with external parties, (SRG agreements) and increased provisions in accordance with IFRS 9 as a result of greater macroeconomic uncertainty. In relation to PAD volume, credit losses corresponded to 1.6 percent (1.1). Income less credit losses was stable, amounting to SEK 249.5 million (249.3).

### Payment Solutions

SEK million	2022	2021	% Δ
Net interest income	166.7	150.5	11%
Net commission income	193.3	176.6	9%
Total income	356.7	326.0	9%
Net credit losses	107.2	76.6	40%
Total operating income less credit losses	249.5	249.3	0%
Lending to the public	1,807	1,699	6%
Pay-after-delivery (PAD), volume	6,581	7,125	-8%
Pay-after-delivery (PAD), no of transactions	6,841	7,353	-7%
Credit losses, %, in relation to PAD volume	1.6%	1.1%	51%

## DIGITAL BANKING SERVICES

Digital Banking Services comprise the services offered on Qliro's digital platforms beyond the payment products from Payment Solutions. Income generated in the segment accounted for 17 percent of total income in 2022. Today, Digital Banking Services primarily comprise Qliro's personal loans in Sweden, which was launched at the end of 2017. The large database of payment solution customers represents 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 through Qliro's own digital channels, such as the app and website.

### Operational development 2022

Qliro's app makes it easy to manage payments, loans and savings. The number of active consumers and the number of interactions in the platform continued to increase during the year. In the fourth quarter, over 980,000 unique customers logged in to Qliro's app and website.

Qliro's personal loans are offered in the digital platforms mainly to customers who used Qliro's payment products in connection with e-commerce. The majority of all borrowers had an existing relationship with Qliro and many applied through Qliro's app. This results in 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 analyzed in real time through machine learning.

Lending has grown steadily since the launch of the product in 2017, although lending declined slightly in 2022 after a decision was made in fall 2021 to stop marketing personal loans via email.

### Financial development 2022

Lending decreased by 17 percent to SEK 879 million (1,060). Despite the decline in lending, operating income remained stable with a decrease of 1 percent to SEK 72.4 million (72.9) due to improved lending margins. The credit loss level rose to 5.6 percent (1.1). The rise is primarily due to increased provisions in line with IFRS 9 due to greater macroeconomic uncertainty. In the first quarter, the year-on-year comparison was affected by the implementation of a new

provisioning model for calculating credit loss provision in the comparison period. Additionally, the comparables for the third and fourth quarters were affected, respectively, by provision reversals in the third quarter of 2021 and revision of the credit model in the fourth quarter of 2021.

## BALANCE SHEET AND CASH FLOW

### Financial position

Qliro has a strong financial position, and as of December 31, 2022 own funds amounted to SEK 439 million (542). In addition to Common Equity Tier 1 capital, own funds comprise SEK 100 million in subordinated Tier 2 capital in the form of subordinated bonds issued in 2019.

As of December 31, 2022, the risk exposure amount increased slightly to SEK 2,563 million (SEK 2,423 million as of December 31, 2021) due to higher lending to institutions compared with the same period in 2021.

Qliro is well-capitalized and the total capital ratio was 17.1 percent (22.4), compared with the regulatory requirement of 11.5 percent, and the Common Equity Tier 1 capital ratio was 13.2 percent (18.2), compared with the regulatory requirement of 8 percent.

Lending to the public as of December 31, 2022 amounted to SEK 2,686 million (2,759 MSEK) a decrease during the year of 3 percent. In addition to capital from shareholders and bond investors, the business is funded by deposits from the public and through a secured loan facility. Qliro's strategy is to actively work with a variety of funding sources in order to tap the most appropriate source at any given time and diversify long-term funding.

Deposits from the public as of December 31, 2022 increased by 49 percent and amounted to SEK 3,321 million (2,231). Deposits from the public are a flexible and functional form of funding given Qliro's lending, which largely comprises small loans of short duration. Qliro offers two different savings accounts in Sweden, one with a variable interest rate and one with a 1-year fixed interest rate. As of December 31, 2022, deposits in Sweden amounted to SEK 2,604 million. Qliro has a deposit offering in EUR for individuals in Germany in partnership with the platform Raisin. As of December 31, 2022, deposits in Germany amounted to SEK 717 million. Funding through the credit facility amounted to SEK 0 million (452 MSEK) as of December 31, 2022.

## Digital Banking Services

SEK million	2022	2021	% Δ
Net interest income	71.9	72.5	-1%
Total income	72.4	72.9	-1%
Net credit losses	27.0	5.3	409%
Total operating income less credit losses	45.4	67.6	-33%
Lending to the public	879	1,060	-17%
Credit loss level, %, in relation to average lending	5.6%	1.1%	425%



Liquidity remains solid and the Liquidity Coverage Ratio (LCR) was 239 percent (364) as of December 31, 2022. The legal requirement for LCR is 100 percent. Qliro's liquidity portfolio as of December 31, 2022 was SEK 294 MSEK (409). In addition to liquid investments, Qliro had access to SEK 100 MSEK (348) in back-up liquidity through undrawn funding in a secured committed credit facility. The liquidity portfolio is invested in Nordic banks as well as other liquid investments such as Swedish municipal bonds and commercial paper with an average rating of AA+ and an average maturity of 156 days (486 days).

#### Cash flow statement

Cash flow amounted to SEK 843 million (-97) during the year.

Cash flow from operating activities amounted to SEK 923.3 million (1.1), and was positively impacted by increased deposits from the public of SEK 1,086.8 million (99.8) but negatively impacted by decreased funding from credit institutions of SEK -452.2 million (237,1) and by decreased lending to the public of SEK -56.5 million (-373.8).

Cash flow from investing activities was negative and amounted to SEK -91.6 million (-90.2) for the year due to acquisitions of intangible assets. Financing activities had a positive effect on cash flow with SEK 11.3 million (-8.2) generated by the new share issue.

#### EFFECT OF THE COVID-19 PANDEMIC ON QLIRO

Since the outbreak of the pandemic, the majority of Qliro's employees have been working remotely. The number of employees at the office has increased again since the turn of the year 2021/2022. A normal work situation has now been resumed, although with a hybrid model where employees mix remote work with time in the office, depending on their function and preference. In 2020, provisions for credit losses increased as a result of assumptions about a worse future economy according to the accounting standard IFRS 9. These provisions were dissolved during the third quarter of 2021 as the economic situation has improved and Qliro has not experienced any general decrease in customers' ability to pay as a result of Covid.

#### INCREASED MACROECONOMIC UNCERTAINTY

Russia's invasion of Ukraine contributed, along with rising interest rates and soaring inflation, to greater macroeconomic and geopolitical uncertainty. As a result, the Swedish Financial Supervisory Authority raised the countercyclical buffer requirement to 2 percent in the second quarter of 2022, from its previous level of 1 percent. The new level will take effect at the end of June 2023. The rising inflation is one reason why several central banks have, or plan to, tighten their monetary policies. In late April the Riksbank announced an initial increase in the policy interest rate, which was raised to 0.75 percent on June 30, 2022. The rate was further increased to 1.75 percent on September 20 and, finally, to 2.5 percent on November 24. The Riksbank's forecast suggests that the policy interest rate will probably rise

further in early 2023, to just under 3 percent. Norges Bank raised its policy interest rate six times in total during 2022, ending the final quarter with a rate hike of 2.75 percent. Qliro currently has no material exposure to Russia or Ukraine, and the company's credit quality remains robust. However, given the macroeconomic consequences, Qliro is continuously evaluating the quality of its assets. Furthermore, in light of the elevated uncertainty, Qliro has increased its provisions for future credit losses according to reporting standard IFRS 9. Qliro cannot rule out the possibility of future effects of the war in Ukraine negatively impacting new lending, credit losses or operations. The complicated macroeconomic conditions that have arisen as a result of rate hikes, rising inflation, and increased energy prices could have a negative impact on consumer demand and their ability to pay debts. Qliro cannot currently see any discernible effect on the company's income or underlying credit losses.

#### EMPLOYEES

Qliro recognizes that its employees are crucial to its operations. Attracting, developing and retaining employees is necessary to achieving success and meeting established targets for growth and business development. During the year, Qliro's average employee net promoter score (eNPS) decreased from +24 to +23 (on a scale from -100 to +100). The average number of employees was 181 (208) during the year. More information on Qliro as an employer can be found in Qliro's Sustainability Report on pages 17–20.

#### REMUNERATION TO QLIRO'S SENIOR EXECUTIVES

##### Current guidelines for remuneration to CEO and senior executives

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

##### Senior executives

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

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

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

more information about the company's business strategy, see the company's website [qliro.com](https://qliro.com). A prerequisite for Qliro to realize its business strategy and safeguard its long-term interests, including its sustainability, is that Qliro can recruit and retain qualified senior executives in competition with comparable Nordic companies, primarily Nordic credit market companies and banks that specialize in e-commerce payments, digital consumer financing, personal loans and savings accounts. In light of this, an aim of these guidelines is to make it possible for senior executives to be offered competitive remuneration. At the same time, Qliro's remuneration system should be compatible with and promote sound, efficient risk management and counteract excessive risk taking.

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

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

#### Forms of remuneration

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

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

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

#### Fixed cash remuneration

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

#### Variable cash remuneration

The senior executives' variable cash remuneration should be based on how well they meet their established targets, both for their respective areas of responsibility and for Qliro as a whole. Both financial and non-financial criteria can be included in this assessment. The outcome should be linked to measurable targets, which, as regards Qliro, should be directly or indirectly linked to the achievement of Qliro's

targets. The targets within the senior executives' respective areas of responsibility are to promote Qliro's development in both the short and long term and thus promote Qliro's business strategy and long-term interests, including the company's sustainability. The CEO's variable cash remuneration is set on the basis of company targets adopted internally by the board, for example based on income and expenses and credit loss development. Other individuals in group management have targets divided into three levels: company level, function level and individual level.

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

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

#### Long-term share-related incentive programs

Senior executives can be offered to participate in incentive programs, which should mainly be share or share-price related. An incentive program should aim to improve participants' commitment to the company's development and implemented on market terms. A long-term share-related incentive program, Qliro's warrant program 2020/2023, was implemented in Qliro during 2020. Qliro's warrant program for 2020/2023 has been adopted by the Annual General Meeting and is therefore not covered by these guidelines. For further information on Qliro's warrant program for 2020/2023, including the requirements on which the outcome depends, see the company's website [qliro.com](https://qliro.com).

#### Pension

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

#### Other customary benefits

Other benefits should be customary and facilitate the executive's ability to perform its tasks and to attract and retain qualified employees, such as company car, occupational

health care as well as life and health insurance. Costs arising from such benefits may amount to a maximum of 25 percent of the fixed annual salary.

#### **Compensation in connection with new employment**

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

#### **Termination and severance pay**

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

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

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

#### **Remuneration policy for credit market companies**

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

#### **Salary and employment conditions for employees**

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

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

#### **The decision-making process**

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

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

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

#### **Deviation from the guidelines**

The Board of Directors may temporarily resolve to deviate from the guidelines if, in a given instance, there is specific cause for such deviation and deviation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability, provided such deviation does not violate the Swedish Financial Supervisory Authority's regulations or applicable parts of EBA's guidelines. As stated above, it is part of the Remuneration Committee's remit to prepare the Board's decisions on matters regarding remuneration, including decisions on deviations from the guidelines. The reasons for any deviations from the guidelines shall be reported and justified by the Board annually in the Remuneration Report. In 2022, a deviation from the Guidelines was made, when Qliro resolved on retention bonuses for certain key employees. The reasons for the deviation are presented in Qliro's remuneration report 2022 which is available on Qliro's website.

## SUSTAINABILITY REPORT 2022

Qliro's sustainability work is focused on three main areas: sustainable e-commerce, responsible lending and business, and being an attractive employer. For the financial year 2022, Qliro prepared its first Sustainability Report separate from the Annual Report in accordance with Chapters 6 and 7 of the Swedish Annual Accounts Act. The Sustainability Report comprises pages 9–20.

## RISKS AND RISK MANAGEMENT

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

The Board and the CEO regularly evaluate whether Qliro's overarching risks are monitored and managed effectively and appropriately. The Board has established a committee to support its work in relation to Risk, Capital, Audit and Compliance Committee ("RCACC") – whose tasks include reviewing that risk taking is well-balanced and controlled, monitoring the financial reporting and reviewing that internal control is effective. For more information on the RCACC, see the Corporate Governance Report on pages 33–37.

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

### Model with three lines of defense

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

#### First line of defense – business management

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

#### Second line of defense – independent control functions

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

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

#### Third line of defense – independent internal audit

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

## INDEPENDENT CONTROL FUNCTIONS

### Risk control function

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

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

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

### The compliance function

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

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

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

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

### Internal audit function

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

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

### RISK MANAGEMENT PROCESS

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

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

The risk management stage involves selecting alternatives to modify risks.

Risk management is a cyclical process which consists of:

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

To ensure that Qliro's operations are conducted within the risk limits and that the control environments are effective, the risk control function has also established a risk monitoring process. The monitoring process comprises a number of different activities, e.g., the self-assessment process, reviews of processes, sampling and evaluations of the risk indicators generated by the first line of defense. The results from the monitoring process are reported to appointed forums in accordance with Qliro's internal governance. For more information on Qliro's risks and risk management, see note 3 on pages 52–58.

### FUTURE OUTLOOK

Qliro offers payment solutions for e-merchants in the Nordics, personal loans and savings accounts in Sweden and Germany. Qliro has gradually expanded its operations, has a stable platform with 5.5 million unique consumers who used Qliro's checkout during 2022 and sees continued potential

for good growth in coming years. The ambition is for income to grow faster than expenses and for the company to be profitable at EBT level for the full year 2023.

### OWNERSHIP STRUCTURE

Qliro's share has been listed on the Nasdaq Stockholm, Small Cap list since October 2020. At year-end, the last price paid for the Qliro share was SEK 13.98.

#### The 10 largest shareholders registered in their own names as of December 31, 2022

Rite Ventures	24.3%
Avanza Pension	9.9%
Mandatum Private Equity	9.3%
Staffan Persson	4.6%
Nordnet pensionsförsäkring	3.4%
Christoffer Rutgersson	3.3%
Thomas Krishan	3.2%
Patrik Enblad	3.1%
Ulf Ragnarsson	1.6%
Sune Mordenfeld	1.6%
<b>Total</b>	<b>64.3%</b>

### DIVIDEND

The Board of Directors proposes that the Annual General Meeting 2023 resolve not to pay a dividend for the financial year 2022.

#### Proposed appropriation of profits

The following amounts are at the disposal of the shareholders as of December 31, 2022 (SEK):

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

Retained earnings	368,338,386
Share premium reserve	19,214,776
Fair value reserve	-3,863,070
Profit/loss for the year	-93,331,000
<b>Total</b>	<b>290,359,092</b>

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

To be carried forward	290,359,092
Of which fair value reserve	-3,863,070

### EVENTS AFTER END OF PERIOD

The company's long-term incentive program ("LTIP 2023") and short-term incentive program ("STIP 2023") were introduced in 2023 in accordance with the conditions adopted by Qliro AB's extraordinary general meeting of December 31, 2022.

### Board

#### Remuneration Committee

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

#### CEO

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

#### First line of defense

##### Business/Operations

Appointed by: CEO  
 Reports to: CEO

Own and manage risks

#### Second line of defense

##### Risk control

Appointed by: Board  
 Reports to: Board and CEO

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

##### Compliance

Appointed by: CEO  
 Reports to: Board and CEO

#### Third line of defense

##### Internal audit

Appointed by: Board  
 Reports to: Board

Assess and validate the first and second line of defense

**FIVE-YEAR OVERVIEW**

SEK million	2022	2021	2020	2019	2018
<b>Income statement</b>					
Net interest income <sup>1)</sup>	238.5	222.9	205.0	170.2	135.7
Net commission income <sup>1)</sup>	193.8	171.0	167.5	172.1	157.4
Other operating income	-3.4	9.6	7.3	2.9	2.1
Total operating income	428.9	403.5	379.7	345.2	295.2
Total expenses before credit losses	-410.3	-369.9	-358.3	-301.8	-254.5
Profit/loss before credit losses	18.6	33.6	21.4	43.4	40.7
Net credit losses	-134.1	-81.9	-102.5	-73.4	-57.3
Operating profit/loss	-115.5	-48.3	-81.1	-30.0	-16.6
Appropriations	-	-	-	-	0.0
Income tax expense	22.0	8.4	14.1	6.2	3.4
Profit/loss for the year	<b>-93.5</b>	<b>-39.9</b>	<b>-67.0</b>	<b>-23.8</b>	<b>-13.2</b>
<b>Balance sheet</b>					
Bonds and other fixed-income securities	293.6	354.0	290.1	255.0	197.2
Lending to credit institutions	900.6	57.5	155.1	240.2	21.8
Lending to the public	2,686.6	2,758.9	2,460.3	2,070.4	1,492.9
Tangible and intangible assets	182.6	196.6	194.3	219.5	164.0
Other assets	139.7	107.0	95.6	93.4	60.6
Total assets	<b>4,203.2</b>	<b>3,474.0</b>	<b>3,195.3</b>	<b>2,878.5</b>	<b>1,936.4</b>
Liabilities to credit institutions	-	452.2	215.0	292.4	457.9
Deposits and borrowings from the public	3,320.5	2,231.0	2,132.9	1,819.1	967.9
Other liabilities	313.9	142.7	159.4	139.1	97.1
Subordinated debt	100.0	100.0	100.0	100.0	0.0
Equity	470.5	548.1	588.0	528.0	413.5
Total liabilities and equity	<b>4,204.9</b>	<b>3,474.0</b>	<b>3,195.3</b>	<b>2,878.5</b>	<b>1,936.4</b>
<b>Key performance measures</b>					
Earnings per share before and after dilution, SEK	-4.90	-2.22	-3.73	-1.32	-0.73
Operating margin, %	15.8%	15.5%	16.8%	19.4%	23.4%
Cost/income ratio, % <sup>3)</sup>	95.7%	91.7%	94.4%	87.4%	86.2%
Cost/income ratio excl. depreciation, % <sup>3)</sup>	71.0%	67.9%	67.7%	69.1%	73.3%
Return on equity, % <sup>2) 3)</sup>	-18.4%	-7.0%	-12.0%	-5.1%	-3.5%
Credit loss level, % <sup>3)</sup>	4.9%	3.1%	4.5%	4.1%	4.5%
Average number of employees	181	208	198	199	195

Key performance measures	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Total capital, SEK m	439.1	541.9	598.7	383.9	255.2
Common Equity Tier 1 capital ratio, %	13.2%	18.2%	22.4%	15.5%	16.9%
Total capital ratio, %	17.1%	22.4%	26.8%	17.8%	16.9%
Liquidity Coverage Ratio (LCR), %	239.0%	364.0%	448%	374%	512%
Pay-after-delivery volume, SEK m <sup>3)</sup>	6,581	7,125	6,221	5,325	4,940
Number of connected merchants <sup>3)</sup>	58	50	46	38	33

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 79-80.

2) Operating performance measures. For definitions see page 80.

3) Other key performance measures. For definitions see page 80.

## Corporate governance report

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

### Shares and shareholders

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

According to the share register maintained by Euroclear Sweden AB, there were 15,228 shareholders at the end of 2022. The shareholdings of the fifteen largest shareholders correspond to approximately 69.5 percent of the share capital and votes. Swedish institutions owned 27.5 percent of share capital, foreign institutional investors 9.3 percent, Swedish individual investors 44.1 percent, and other and unknown investors owned 19.1 percent of the share capital.

The share capital comprises one type of shares, ordinary shares. There are no restrictions on the number of votes each shareholder can cast at the AGM. At year-end, the number of shares was 19,072,973 and the share capital amounted to SEK 53,404,324.40, corresponding to a quota value of SEK 2.80 per share.

Shareholders are regularly provided with information, including interim and year-end reports, annual reports and press releases on significant events. All reports, press releases and other information can be found on the website at [qliro.com/en-se/investor-relations](http://qliro.com/en-se/investor-relations)

### Annual General Meeting

The Annual General Meeting is a limited company's highest decision-making body. It is where all shareholders can exercise their voting rights to decide on issues affecting the company and its operations. The Swedish Companies Act and the Articles of Association stipulate how notice is given of the AGM and Extraordinary General Meetings, as well as who is entitled to participate and vote at the meetings. The authority of the AGM and its rules of procedure are primarily based on the Swedish Companies Act and the Code, as well as the Articles of Association adopted by the AGM. The AGM must be held within six months of the end of the financial year. The AGM makes decisions on adoption of the company's income statement and balance sheet, appropriation of the year's profit or loss according to the adopted balance sheet, discharge of liability for the Board and CEO, appointment of the Board, its Chairman and the company's auditors, and certain other matters provided for by law and the Articles of Association. The AGM for the financial year 2022 will be held on May 17, 2023.

### Nomination Committee

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

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

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

### Board of Directors

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

### Responsibilities and duties of the Board

The Board has overarching responsibility for Qliro's organization and management. The Board has adopted rules of procedure for its work that include rules pertaining to the number of scheduled Board meetings, which issues are dealt with at scheduled Board meetings, the duties of the Chairman and instructions on the division of duties between Qliro's Board of Directors and the CEO.

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

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



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

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

### Composition of the Board

The Board members during 2022 and up until the Annual General Meeting were Lennart Jacobsen (Chairman, stepped down at the 2022 AGM), Alexander Antas, Robert Burén (stepped down at the 2022 AGM), Monica Caneman, Lennart Francke and Helena Nelson. The Board members during 2022 after the Annual General Meeting were Patrik Enblad (Chairman, elected at the 2022 AGM), Alexander Antas, Mikael Kjellman (elected at the 2022 AGM), Monica Caneman, Lennart Francke and Helena Nelson.

The Board's composition shall comply with current laws and regulations, as well as the policy on skills and composition (including diversity) of the Board adopted

by Qliro's Board. The policy states that the Board shall, as far as possible and without compromising with regard to competence, consist of an even distribution of men and women from different backgrounds. The composition of Qliro's Board satisfies the requirements of Nasdaq Stockholm and the Code regarding independent members. All Board members elected by the AGM are independent (requirement is majority) in relation to the company and the management and independent in relation to the company's major shareholders (requirement is at least two).

### Remuneration Committee

The Remuneration Committee is composed of Monica Caneman (Chairman) and Patrik Enblad.

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

### Risk, Capital, Audit and Compliance Committee (RCACC)

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

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

### Board of Directors

Name	Position	Born	Citizenship	Elected	Independent in relation to major shareholders.	Independent in relation to the company and management	Remuneration Committee	Risk, Capital, Audit and Compliance Committee
Patrik Enblad	Chairman	1966	Swedish	2022	Yes	Yes	Yes	No
Alexander Antas	Member	1981	Finnish	2020	Yes	Yes	No	No
Mikael Kjellman	Member	1977	Swedish	2022	Yes	Yes	No	No
Monica Caneman	Member	1954	Swedish	2019	Yes	Yes	Yes	Yes
Lennart Francke	Member	1950	Swedish	2016	Yes	Yes	No	Yes
Helena Nelson	Member	1965	Swedish	2015	Yes	Yes	No	Yes
Lennart Jacobsen <sup>1)</sup>	Chairman	1966	Swedish	2017	Yes	Yes	Yes	No
Robert Burén <sup>2)</sup>	Member	1970	Swedish	2018	Yes	Yes	No	No

1) Lennart Jacobsen resigned as Chairman of the Board at the 2022 Annual General Meeting and only participated in meetings prior to this date.

2) Robert Burén resigned as board member at the 2022 AGM and only participated in meetings prior to this date.

auditing; and (vi) assist in the preparation of proposals for the AGM's resolution on election of the auditor.

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

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

### Remuneration of Board members

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

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

### The Board's work in 2022

During the year, the Board regularly reviewed Qliro's earnings, financial position, organization and administration. During its meetings, the Board dealt with matters involving Qliro's strategy, budget and other financial forecasts, capital structure and financing, and investments in fixed assets. Furthermore, the Board continued streamlining of internal procedures and control processes. In January the Board of Directors appointed Jonas Arlebäck as acting CEO of Qliro, and in June the Board appointed Christoffer Rutgersson as Qliro's new CEO. Christoffer Rutgersson assumed the role of CEO on October 1, 2022. The Board held a total of 20 meetings in 2022, including one statutory meeting.

### The Board's self-assessment

The Board establishes a training plan every year. During the year the Board received training in the following areas: At the end of the year, a self-evaluation was carried out regarding the Board's competence to identify the need for training during 2023.

### External auditors

Qliro's auditor, KPMG AB, was elected at the 2022 AGM for a period of one year. KPMG has been the company's external auditor since 2014. Mårten Asplund, Authorized Public Accountant at KPMG, has overseen the company's audits since May 2017. An auditor election will take place at the 2023 AGM.

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

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

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

### CEO and executive management

The company's executive management comprises the CEO and Group Management.

The CEO is responsible for the ongoing administration of the company in accordance with the guidelines and directions established by the Board.

The CEO and executive management team, supported by various staff functions, are responsible for adhering to the Group's overall strategy, financial and business controls,

### Attendance at Board and Committee meetings in 2022

	Board meetings <sup>1)</sup>	RCACC <sup>2)</sup>	Remuneration Committee <sup>3)</sup>
Number of meetings	20	9	11
Patrik Enblad <sup>4)</sup>	14/20	N/A	8/8
Alexander Antas	20/20	N/A	N/A
Mikael Kjellman <sup>5)</sup>	14/20	N/A	N/A
Monica Caneman	19/20	8/9	10/11
Lennart Francke	20/20	9/9	N/A
Helena Nelson	17/20	8/9	N/A
Lennart Jacobsen <sup>6)</sup>	5/6	N/A	3/3
Robert Burén <sup>7)</sup>	6/6	N/A	N/A

1) The total number of board meetings during 2022 was twenty (20), of which six (6) were held before the Annual General Meeting on May 17, 2022 and fourteen (14) were held after the Annual General Meeting 2022.

2) The total number of audit committee meetings during 2022 was nine (9), of which four (4) were held before the annual general meeting on May 17, 2022 and five (5) were held after the annual general meeting 2022.

3) The total number of remuneration committee meetings during 2022 was eleven (11), of which three (3) were held before the annual general meeting on May 17, 2022 and eight (8) were held after the annual general meeting 2022.

4) Patrik Enblad was elected Chairman of the Board at the 2022 AGM and only participated in meetings after this date.

5) Mikael Kjellman was elected as a member of the Board of Directors at the 2022 Annual General Meeting and only participated in meetings after this date.

6) Lennart Jacobsen resigned as Chairman of the Board at the 2022 Annual General Meeting and only participated in meetings prior to this date.

7) Robert Burén resigned as Board member at the 2022 AGM and only participated in meetings prior to this date.

financing, capital structure, risk management and acquisitions. Among other tasks, this includes the preparation of financial reports, provision of information to and communication with investors.

### Internal control of financial reporting

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

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

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

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

### Control environment

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

To create an effective system for internal control and risk management, the company has established a model with three lines of defense (including control functions for risk, compliance and internal audit). The control functions are organizationally separated from each other to ensure independence and avoid conflicts of interest. The control functions must regularly report material shortcomings and

risks to the CEO and the Board, or the Board's committees, which must ensure that processes are established to regularly monitor the measures taken due to such reports.

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

### Risk assessment and control activities

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

### Information and communication

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

### Monitoring

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

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

## Board of Directors



### Patrik Enblad

Chairman of the Board since 2022

**Assignments committees:** Member of Remuneration Committee

**Education:** Studied economics at Stockholm University

**Professional experience:** CEO Newsec 2009–2012, CEO HQ Bank 2002–2007, Chairman of the Board, Orc Group 2011–2012, Chairman of the Board, Cinnober 2015–2018

**Other ongoing assignments:** Chairman, Degoo/Instabridge

**Holding in Qliro AB<sup>1)</sup>:** 585,000 shares and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.



### Alexander Antas

Board member since 2020

**Assignments committees:** –

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

**Professional experience:** Head of Private Equity at Mandatum Asset Management, and has previously been Portfolio Manager and Head of Alternative Investments at Sampo plc (2008–2020) and analyst at Carnegie Investment Bank (2006–2008).

**Other ongoing assignments:** Board observer at Coronaria Oy. Board observer at Elematic Oy.

**Holding in Qliro AB<sup>1)</sup>:** 0 share and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.



### Mikael Kjellman

Board member since 2022

**Assignments committees:** –

**Education:** IHM Business School

**Professional experience:** Founder and CEO of Skincity AB and Tradecity AB

**Other ongoing assignments:** Chairman of the Board of Tradecity AB, Täby Måttbandet 7 AB, Klockaren 13 AB and Söderby Stuteri AB

**Holding in Qliro AB<sup>1)</sup>:** 303,433 shares and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.



### Monica Caneman

Board member since 2019

**Assignments committees:** Chairman of Remuneration Committee, member of RCACC

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

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

**Other ongoing assignments:** Chairman Euroclear Sweden AB, Almi Företagspartner AB and Monu AB. Board member in SAS AB. Chairman in Nasdaq Stockholms listing committee. CEO and Chairman in Monica Caneman Konsult AB and board member in Hundhjälpen på Lidingö AB.

**Holding in Qliro AB<sup>1)</sup>:** 0 shares and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.



### Lennart Francke

Board member since 2016

**Assignments committees:** Chairman RCACC

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

**Professional experience:** Appointed by Swedbank Robur in several nomination committees in listed companies. Previous experience as Senior Advisor and Head of Group Finance at Swedbank (2013–2014 and 2011–2012) and deputy CEO, Head of Group Finance and Group Credit at Handelsbanken (1998–2006). Other senior management positions within Handelsbanken (1978–1998).

**Other ongoing assignments:** Board member of Centrum för Näringslivshistoria CfN AB, Stiftelsen Affärsvärlden. Chairman Youple AB.

**Holding in Qliro AB<sup>1)</sup>:** 11,249 shares and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.



### Helena Nelson

Board member since 2015

**Assignments committees:** Member RCACC

**Education:** Master of Laws from Lund University and Ruter Dam Management Program, Stockholm

**Professional experience:** General Counsel and part of the executive management of Carnegie Investment Bank AB (publ) and previous experience as Chief Compliance Officer and Head of Operational Risk at Swedbank (2009–2013), General Counsel at Skandia (2006–2009) and other legal positions at Skandia (1994–2006) and court work (1989–1994)

**Other ongoing assignments:** Board member of Carnegie Personal AB and Familjeföretagens Pensionsredovisning i Värmland AB and member of the council in Livförsäkringsbolaget Skandia

**Holding in Qliro AB<sup>1)</sup>:** 1,000 shares and 0 warrants  
Independent in relation to the company and its management, independent in relation to major shareholders.

The board assignments and information on holdings in Qliro AB listed above reflect the situation as of December 31, 2022.

1) The number of shares and warrants includes holdings through companies and physically related individuals, where applicable.

## Executive Management



### Christoffer Rutgersson

CEO

**Born:** 1986

In the Group management team since 2022

**Education:** MSc. Eng. in industrial economics, Linköping University

**Previous Experience:** Angel investor in tech startups, Board member, Greenely (2018-2022), VP Portfolio & Growth Management, Ingenico Retail (2019-2020), co-founder and Chief Growth Analytics Officer, Bambora (2014-2018), consultant at Boston Consulting Group (2011-2014)

**Holding in Qliro AB<sup>1)</sup>:** 635,825 shares and 748 874 warrants



### Anna Engman

Chief People Officer

**Born:** 1989

In the Group management team since 2023

**Education:** B.Sc. in Human Resource Management, Linköping University

**Previous Experience:** Head of Recruitment Stockholm and Mälardalen, Combitech (2014-2015), Head of Talent & Culture, Talentech (2016-2018), VP People & Culture, Detectify (2018-2023)

**Holding in Qliro AB<sup>1)</sup>:** 0 shares and 0 warrants



### Joel Nisses

Chief Risk Officer

**Born:** 1981

In the Group management team since 2023

**Education:** High school diploma, economics program  
**Previous Experience:** Director at FCG (2017-2023), Commercial Director at Reg&Tech Solutions by FCG (2020-2022), Senior consultant at 4C Strategies (2013-2016), Founder and Managing Director at Nordiva Healthcare AB (2010-2013), Schibsted Trainee Program and various positions within Schibsted Group (2007-2010)

**Holding in Qliro AB<sup>1)</sup>:** 0 shares and 0 warrants



### Robert Stambro

Chief Financial Officer

**Born:** 1975

In the Group management team since 2019

**Education:** Master's degree in International Business from Luleå University of Technology

**Previous Experience:** Head of Financial Planning & Analysis (2018-2019), Head of Treasury and Head of Business Control (2017-2018), Acting CFO (2016-2017), Deputy CFO (2016) and Head of Treasury (2009-2016) at Nordnet AB

**Holding in Qliro AB<sup>1)</sup>:** 40,000 shares and 84,084 warrants



### Fredrik Milton

Chief Technology Officer

**Born:** 1977

In the Group management team since 2022

**Education:** Natural science program with emphasis on technology, 1996, Hersby Lidingö

**Previous Experience:** Own consulting company (2016-2022), partner, Polar Cape Consulting (2011-2016), consultant, HiQ (2006-2009), systems architect, Song Networks/TDC (2002-2006), Head of Development, Wineasy (1999-2001)

**Holding in Qliro AB<sup>1)</sup>:** 50 shares and 0 warrants



### Stefan Sjöström

Chief Credit Officer

**Born:** 1970

In the Group management team since 2022

**Education:** Degree in economics, Stockholm University

**Previous Experience:** Senior Manager, PwC (2016-2022), Credit Manager, Nordnet Bank (2015-2016), Credit Manager, Allra Finans (2014-2015), Senior Group Analyst, Intrum Justitia (2011-2014), Emric Business Consulting (2005-2011)

**Holding in Qliro AB<sup>1)</sup>:** 0 shares and 0 warrants

The board assignments and information on holdings in Qliro AB listed above reflect the situation as of December 31, 2022.

<sup>1)</sup> The number of shares and warrants includes holdings through companies and physically related individuals, where applicable.



### Emma Markström

Chief Customer Officer

**Born:** 1982

In the Group management team since 2022

**Education:** IHM Business School and COPC-2000® CSP Standard, Registered Coordinator Training – COPC Inc, Amsterdam

**Previous Experience:** Head of Operations, Qliro (2020–2022), CEO, Women for Education (NGO) (2021–2022), Domain Lead/Head of Service Center (Global), Klarna (2018–2020), Director, Service Center Europe (2017–2018), Head of Account & Operations, Webhelp (2012–2017), Interim Customer Service Manager, Svenska Dagbladet/Schibsted (2011–2012), Contact Center Manager, Teleperformance (2007–2011), Project Manager, American Express (2006–2007), Business Save Desk Manager, Hi3G Access (2005–2008)

**Holding in Qliro AB<sup>1)</sup>:** 59 shares and 35,000 warrants



### Robin Soubry

Chief Product Officer

**Born:** 1986

In the Group management team since 2023

**Education:** Master Industrial Design, University Antwerp, Master Business Administration, Vlerick Business School

**Previous Experience:** Product Strategy Management, Worldline, Head of Product & Customer Experience for e-commerce offering in Europe, Worldline, Head of Value Proposition for European payment solutions in Europe, Worldline

**Holding in Qliro AB<sup>1)</sup>:** 0 shares and 0 warrants

The board assignments and information on holdings in Qliro AB listed above reflect the situation as of December 31, 2022.

1) The number of shares and warrants includes holdings through companies and physically related individuals, where applicable.

# FINANCIAL REPORTS

## INCOME STATEMENT OF THE GROUP

Amounts in SEK million	Note	2022	2021
Interest income		288.9	262.6
Interest expenses		-50.4	-39.7
<b>Net interest income</b>	5	<b>238.5</b>	<b>222.9</b>
Commission income	6	203.1	185.4
Commission expenses	7	-9.3	-8.4
Net profit/loss from financial transactions	8	-4.0	-1.4
Other operating income		0.6	0.4
<b>Total operating income</b>		<b>428.9</b>	<b>398.8</b>
General administrative expenses	9, 10, 11	-279.9	-241.0
Depreciation/amortization of tangible and intangible assets	12	-105.6	-96.0
Other operating expenses	13	-24.8	-28.3
<b>Total operating income</b>		<b>-410.3</b>	<b>-365.2</b>
<b>Profit/loss before credit losses</b>		<b>18.6</b>	<b>33.6</b>
Net credit losses	14	-134.1	-81.9
<b>Operating profit/loss</b>		<b>-115.5</b>	<b>-48.3</b>
Income tax expense	15	22.0	8.4
<b>Profit/loss for the year</b>		<b>-93.5</b>	<b>-39.9</b>
<b>Earnings per share before and after dilution. SEK</b>	36	<b>-4.90</b>	<b>-2.22</b>

## STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Amounts in SEK million	2022	2021
<b>Profit/loss for the year</b>	<b>-93.5</b>	<b>-39.9</b>
<b>Other comprehensive income</b>		
<b>Items that can later be reclassified to profit or loss</b>		
Changes in value of financial assets recognized at fair value through other comprehensive income	-3.9	-
Translation differences from foreign operations	-	-
Translation differences from foreign operations -reclassified to the income statement	-	-
<b>Other comprehensive income for the year</b>	<b>-3.9</b>	<b>-</b>
<b>Comprehensive income for the year</b>	<b>-97.4</b>	<b>-39.9</b>

## BALANCE SHEET OF THE GROUP

Amounts in SEK million	Note	2022	2021
<b>Assets</b>			
Lending to credit institutions	16	900.6	57.5
Lending to the public	17	2,686.6	2,758.9
Bonds and other fixed-income securities	18	293.6	354.0
Intangible assets	20	168.7	169.1
Tangible assets	21	13.9	27.5
Deferred tax assets		60.2	37.2
Other assets	22	58.5	47.2
Derivative	27	1.7	–
Prepaid expenses and accrued income	23	21.1	22.6
<b>Total assets</b>		<b>4,204.9</b>	<b>3,474.0</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	24	–	452.2
Deposits and borrowings from the public	25	3,320.5	2,231.0
Other liabilities	26	228.6	74.1
Derivative	27	–	1.2
Accrued expenses and deferred income	28	85.3	67.5
Subordinated debt	29	100.0	100.0
<b>Total liabilities</b>		<b>3,734.4</b>	<b>2,925.9</b>
<b>Equity</b>			
Share capital	30	53.4	50.3
Reserves		–3.9	–0.1
Retained profit or loss		514.5	537.7
Profit/loss for the year		–93.5	–39.9
<b>Total equity</b>		<b>470.5</b>	<b>548.1</b>
<b>Total liabilities and Equity</b>		<b>4,204.9</b>	<b>3,474.0</b>



## STATEMENT OF CHANGES IN EQUITY OF THE GROUP

Amounts in SEK million	Share capital	Share premium reserve	Fair value reserve	Retained earnings including profit for the year	Total equity
<b>Opening balance 2021-01-01</b>	<b>50.3</b>	<b>2.5</b>	<b>-0.0</b>	<b>535.1</b>	<b>588.0</b>
Profit after tax reported in the income statement	-	-	-	-39.9	-39.9
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>-0.0</b>	<b>-39.9</b>	<b>-39.9</b>
<b>Total transactions reported directly in equity</b>	-	-	-	-	-
<b>Closing balance 2021-12-31</b>	<b>50.3</b>	<b>2.5</b>	<b>-0.1</b>	<b>495.3</b>	<b>548.1</b>
<b>Opening balance 2022-01-01</b>	<b>50.3</b>	<b>2.5</b>	<b>-0.1</b>	<b>495.3</b>	<b>548.1</b>
Profit after tax reported in the income statement	-	-	-	-93.5	-93.5
<b>Other comprehensive income for the year</b>	-	-	<b>-3.9</b>	-	<b>-3.9</b>
<b>Total comprehensive income for the year</b>	-	-	<b>-3.9</b>	<b>-93.5</b>	<b>-97.4</b>
<b>Total transactions reported directly in equity</b>	-	-	-	-	-
Rights issue	3.1	-	-	16.7	19.8
<b>Closing balance 2022-12-31</b>	<b>53.4</b>	<b>2.5</b>	<b>-3.9</b>	<b>418.5</b>	<b>470.5</b>

## CASH FLOW STATEMENT OF THE GROUP

Amounts in SEK million	2022	2021
<b>Operating activities</b>		
Operating profit/loss	-115.5	-48.3
<b>Adjustments</b>		
- Depreciation/amortization	105.6	96.0
- Credit losses	134.1	81.9
- Commission income	-203.1	-174.7
- Interest income	-288.9	-262.6
- Interest expenses	50.4	39.7
- Unrealised exchange differences	-0.1	-0.5
Tax paid	-	-
Commission received	233.5	152.1
Interest received	282.0	254.8
Interest paid	-47.3	-41.2
Increase/decrease in securities	56.5	-64.0
Increase/decrease in lending to the public	-56.5	-373.8
Increase/decrease in other claims/liabilities	137.8	4.8
Increase/decrease in deposits and borrowings from the public	1 086.8	99.8
Increase/decrease in liabilities to credit institutions	-452.2	237.1
<b>Cash flow from operating activities</b>	<b>923.3</b>	<b>1.1</b>
<b>Investing activities</b>		
Purchase of tangible assets	-2.8	-7.5
Purchase of intangible assets	-88.9	-82.8
<b>Cash flow from investing activities</b>	<b>-91.6</b>	<b>-90.2</b>
<b>Financing activities</b>		
Amortization lease	-8.2	-8.2
Rights issue	19.8	-
<b>Cash flow from financing activities</b>	<b>11.6</b>	<b>-8.2</b>
<b>Cash flow for the year</b>	<b>843.2</b>	<b>-97.3</b>
<b>Increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	57.5	155.1
Exchange differences in cash and cash equivalents	-	-0.3
Cash flow for the period	843.2	-97.3
<b>Cash and cash equivalents at end of the year</b>	<b>900.6</b>	<b>57.5</b>

## SELECTED INCOME STATEMENT DATA FROM THE PARENT COMPANY

Amounts in SEK million	Note	2022	2021
Interest income		288.9	262.6
Interest expenses		-50.3	-39.5
<b>Net interest income</b>	5	<b>238.6</b>	<b>223.1</b>
Commission income	6	203.1	185.4
Commission expenses	7	-9.3	-8.4
Net profit/loss from financial transactions	8	-4.0	-1.4
Other operating income		0.6	0.4
<b>Total operating income</b>		<b>429.0</b>	<b>399.0</b>
General administrative expenses	9, 10, 11	-288.1	-249.2
Depreciation/amortization of tangible and intangible assets	12	-97.4	-87.7
Other operating expenses	13	-24.8	-28.3
<b>Total expenses before credit losses</b>		<b>-410.2</b>	<b>-365.1</b>
<b>Profit/loss before credit losses</b>		<b>18.8</b>	<b>33.9</b>
Net credit losses	14	-134.1	-81.9
<b>Operating profit/loss</b>		<b>-115.3</b>	<b>-48.0</b>
Income tax expense	15	22.0	8.4
<b>Profit/loss for the year</b>		<b>-93.3</b>	<b>-39.6</b>
<b>Earnings per share before and after dilution</b>	36	<b>-4.89</b>	<b>-2.20</b>

## STATEMENT OF COMPREHENSIVE INCOME OF THE PARENT COMPANY

Amounts in SEK million	2022	2021
<b>Profit/loss for the year</b>	<b>-93.3</b>	<b>-39.6</b>
<b>Other comprehensive income</b>		
<b>Items that can later be reclassified to profit or loss</b>		
Changes in value of financial assets recognized at fair value through other comprehensive income	-3.9	-
Translation differences from foreign operations	-	-
Translation differences from foreign operations reclassified to the income statement	-	-
<b>Other comprehensive income for the year</b>	<b>-3.9</b>	<b>-</b>
<b>Comprehensive income for the year</b>	<b>-97.2</b>	<b>-39.6</b>

## BALANCE SHEET OF PARENT COMPANY

Amounts in SEK million	Note	2022	2021
<b>Assets</b>			
Lending to credit institutions	16	898.1	54.9
Lending to the public	17	2,686.6	2,758.9
Bonds and other fixed-income securities	18	293.6	354.0
Shares and units	19	0.1	0.1
Intangible assets	20	168.7	169.1
Tangible assets	21	7.9	13.3
Deferred tax assets		60.2	37.2
Other assets	22	61.0	49.8
Prepaid expenses and accrued income	27	1.7	–
Total assets	23	21.0	22.6
<b>Total assets</b>		<b>4,198.9</b>	<b>3,459.7</b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	24	–	452.2
Deposits and borrowings from the public	25	3,320.5	2,231.0
Other liabilities	26	221.8	59.3
Derivatives	27	–	1.2
Accrued expenses and deferred income	28	85.3	67.5
Subordinated debt	29	100.0	100.0
<b>Total liabilities</b>		<b>3,727.6</b>	<b>2,911.1</b>
<b>Equity</b>			
	30		
<b>Restricted equity</b>			
Share capital		53.4	50.3
Reserve for development costs		127.5	116.5
<b>Total restricted equity</b>		<b>180.9</b>	<b>166.9</b>
<b>Non-restricted equity</b>			
Reserves		–3.9	–0.1
Share premium reserve		19.2	2.5
Retained profit or loss		368.3	419.0
Profit/loss for the year		–93.3	–39.6
<b>Total non-restricted equity</b>		<b>290.4</b>	<b>381.8</b>
<b>Total equity</b>		<b>471.3</b>	<b>548.7</b>
<b>Total liabilities and Equity</b>		<b>4,198.9</b>	<b>3,459.7</b>

## STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY

Amounts in SEK million	Restricted equity		Non-restricted equity				Total equity
	Share capital	Reserve for development costs	Translation of foreign operations	Fair value reserve	Retained profit	Profit/loss for the year	
<b>Opening balance 2021-01-01</b>	<b>50.3</b>	<b>118.5</b>	<b>2.5</b>	<b>-0.0</b>	<b>483.7</b>	<b>-66.6</b>	<b>588.3</b>
Reallocation of last year's profit	-	-	-	-	-66.6	66.6	-
Profit after tax reported in the income statement	-	-	-	-	-	-39.6	-39.6
Other comprehensive income for the year	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.0</b>	<b>-66.6</b>	<b>27.0</b>	<b>-39.6</b>
<b>Transactions reported directly in equity</b>							
Transfer of internally generated capitalised development costs	-	-1.9	-	-	1.9	-	-
<b>Total transactions reported directly in equity</b>	<b>-</b>	<b>-1.9</b>	<b>-</b>	<b>-</b>	<b>1.9</b>	<b>-</b>	<b>-</b>
<b>Closing balance 2021-12-31</b>	<b>50.3</b>	<b>116.5</b>	<b>2.5</b>	<b>-0.1</b>	<b>419.0</b>	<b>-39.6</b>	<b>548.7</b>
<b>Opening balance 2022-01-01</b>	<b>50.3</b>	<b>116.5</b>	<b>2.5</b>	<b>-0.1</b>	<b>419.0</b>	<b>-39.6</b>	<b>548.7</b>
Reallocation of last year's profit	-	-	-	-	-39.6	39.6	-
Profit after tax reported in the income statement	-	-	-	-	-	-93.3	-93.3
Other comprehensive income for the year	-	-	-	-3.8	-	-	-3.8
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3.8</b>	<b>-39.6</b>	<b>-53.7</b>	<b>-97.1</b>
<b>Transactions reported directly in equity</b>							
Transfer of internally generated capitalised development costs	-	11.0	-	-	-11.0	-	-
Warrants, repurchased	-	-	-	-	-	-	-
Rights issue	3.1	-	16.7	-	-	-	19.8
<b>Total transactions reported directly in equity</b>	<b>3.1</b>	<b>11.0</b>	<b>16.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.8</b>
<b>Closing balance 2022-12-31</b>	<b>53.4</b>	<b>127.5</b>	<b>19.2</b>	<b>-3.8</b>	<b>368.3</b>	<b>-93.3</b>	<b>471.3</b>

## CASH FLOW STATEMENT OF THE PARENT COMPANY

Amounts in SEK million	2022	2021
<b>Operating activities</b>		
Operating profit/loss	-115.3	-48.0
<b>Adjustments</b>		
– Depreciation/amortization	97.4	87.7
– Credit losses	134.1	81.9
– Commission income	-203.1	-174.7
– Interest income	-288.9	-262.6
– Interest expenses	50.3	39.5
– Unrealised exchange differences	-0.1	-0.5
Tax paid	-	-
Commission received	233.5	152.1
Interest received	282.0	254.8
Interest paid	-47.3	-41.2
Increase/decrease in securities	56.5	-64.0
Increase/decrease in lending to the public	-56.5	-373.8
Increase/decrease in other claims/liabilities	137.8	4.8
Increase/decrease in deposits and borrowings from the public	1,086.8	99.8
Increase/decrease in liabilities to credit institutions	-452.2	237.1
<b>Cash flow from operating activities</b>	<b>915.1</b>	<b>-7.1</b>
<b>Investing activities</b>		
Purchase of tangible assets	-2.8	-7.5
Purchase of intangible assets	-88.9	-82.8
<b>Cash flow from investing activities</b>	<b>-91.6</b>	<b>-90.2</b>
<b>Financing activities</b>		
Rights issue	19.8	-
<b>Cash flow from financing activities</b>	<b>19.8</b>	<b>-</b>
<b>Cash flow for the year</b>	<b>843.2</b>	<b>-97.3</b>
<b>Increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	54.9	152.5
Exchange differences in cash and cash equivalents	-	-0.3
Cash flow for the year	843.2	-97.3
<b>Cash and cash equivalents at end of the year</b>	<b>898.1</b>	<b>54.9</b>

## NOTES

### NOTE 1. COMPANY INFORMATION

Qliro AB (publ), reg. no. 556962-2441, has a licence from the SFSA to be a credit market company. The parent company's shares are since October 2nd 2020 listed on Nasdaq Stockholm with the ticker "QLIRO". Qliro conducts its operations in the Nordic region and its head office is located in Stockholm, Sweden. The operations comprise payment solutions, consumer financing, personal loan products and savings accounts in the Nordic market and Germany through cooperation with Deposit Solutions GmbH.

Qliro is a limited liability company in Sweden with its registered office in Stockholm. Adressen till huvudkontoret är Sveavägen 151, Stockholm.

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

This historical financial information was approved by the board of directors and CEO for issue and publication on 5 April 2023. The consolidated statement of financial position and other comprehensive income and the statement of financial position, as well as the parent company's income statement and balance sheet, are subject to adoption by the Annual General Meeting on May 17, 2023.

### NOTE 2. ACCOUNTING POLICIES

#### Compliance with standards and laws

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

The financial information of the parent company has been prepared in accordance with Annual Accounts Act for Credit Institutions and Securities Companies as well as the SFSA's regulations and general advice on annual accounts for credit institutions and securities companies (FFFS 2008:25). The parent company also applies RFR 2 Accounting for legal entities and statements from the Swedish Financial Reporting Board. In accordance with the SFSA's general advice the parent company applies the so called non-statutory IFRS, meaning that the international financial reporting standards which have been adopted by the EU, are applied when preparing the financial reports.

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

#### Valuation methods used in preparing the company's financial statements

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

#### Changed accounting policies with future application

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

#### Future regulatory changes

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

#### Summary of key accounting policies

##### Transactions in foreign currency

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

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

Exchange differences for non-monetary financial assets and liabilities classified as financial instruments measured at fair value through profit or loss are recognised as part of the gains or losses on fair value. Exchange differences arising on the translation of balance sheet items in foreign currency at the

closing day rate are recognised through profit or loss under Net profit/loss from financial transactions.

#### Interests and commissions

##### Interest income and interest expenses

The income is recognized using the effective interest method or when the identified performance commitments have been fulfilled.

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

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

##### Commission income and commission expenses

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

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

##### Net profit/loss from financial transactions

Net profit/loss from financial transactions comprises realised and unrealised changes in value arising through financial transactions, such as exchange rate fluctuations.

##### General administrative expenses

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

##### Remuneration to employees

###### (a) Short-term employee benefits

Short-term employee benefits are calculated without discounting and recognized as an expense when the related services are provided.

###### (b) Pension costs

Qliro's pension plans are financed through payments to insurance companies. Qliro has only defined contribution pension plans. Defined contribution plans are plans under which Qliro pays fixed contributions into a separate legal entity. Qliro does not have any legal or informal obligations to pay additional contributions if this legal entity has insufficient assets with which to make all pension payments to employees that are associated with the current or past service of employees.

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

###### (c) Termination benefits

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

##### Group contributions

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

##### Taxes

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in the country where Qliro operates and generates taxable income, meaning Sweden. Management regularly evaluates the claims made in tax returns for situations where applica-

ble tax rules are subject to interpretation and, when deemed necessary, makes provisions for amounts that are likely to be paid to the tax authorities. Income tax is recognised directly through profit or loss.

Deferred tax assets are recognised insofar as it is probable that tax surpluses will be available in the future against which temporary differences can be utilised. The amounts allocated to untaxed reserves comprise taxable temporary differences. Because of the connection between accounting and taxation, the deferred tax liability attributable to the untaxed reserves is not recognised separately. These have thus been recognised in a gross amount in the balance sheet. Appropriations are recognised in a gross amount in profit or loss.

#### Financial assets

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

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

#### Qliro has three types of financial assets:

##### (a) Financial assets measured at amortized cost

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

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

##### (b) Financial assets measured at fair value through other comprehensive income

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

Unrealised gains and losses are recognised in other comprehensive income and accumulated in the fair value reserve in equity. In connection with the disposal of the asset, the reserve is reclassified to the income statement.

##### (c) Financial assets and liabilities measured at fair value through the income statement

Financial assets and liabilities valued at fair value via the income statement is valued at fair value excluding transaction costs. The company values derivatives at fair value via the income statement as these not meets the requirements to be reported at amortized cost or fair value via other comprehensive income. As hedge accounting is not applied, changes in fair value is reported under net income from financial transactions.

#### Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date, which is the date when Qliro undertakes to buy or sell the asset. Financial instruments are initially measured at fair value plus transaction costs, which applies to all financial assets not measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are initially measured at fair value, while the related transaction costs are recognised through profit or loss.

Financial assets are derecognised from the balance sheet when the rights to collect cash flows from the instrument have expired or been transferred and Qliro has transferred substantially all the risks and rewards associated with ownership. If the risks and rewards associated with ownership of the financial asset are neither transferred nor retained, Qliro will assess whether it has relinquished control. If Qliro assesses that it has relinquished control, the financial asset is derecognised from the balance sheet. If Qliro assesses that it has not relinquished control, the company will continue to recognise the asset to the extent to which it has a continuing involvement in the asset.

Gains and losses arising from changes in fair value in respect of the category financial assets measured at fair value through profit or loss are recognised as revenue in the period when they are realised and are included in the item Net profit/loss from financial transactions in profit or loss. Unrealised gains and losses are recognised in other comprehensive income.

#### Impairment of financial assets

Loss provisions are established for lending to the public and on all items in the balance sheet measured at amortized cost. Loss provisions are also recognised for fixed-income securities measured at fair value through other comprehensive

income and off-balance exposures, granted loan commitments (e.g. unutilised bank overdraft facilities) and issued financial guarantees. A derecognition reduces the recognised gross amount of the financial asset. Derecognitions takes place when the amount of the loss is finally established and is recognised under credit losses, and represents the amount before utilising previously made provisions.

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

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

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

#### Recognition of expected credit losses – lending to the public

##### Determination of a significant increase in credit risk

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

##### Credit-impaired loans

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

##### Measurement of expected credit losses

Expected credit losses are calculated for individual credit exposures as the discounted total of probability of default (PD), credit exposure at default (EAD), loss given default (LGD) and macroeconomic factors (MF). The Institution's definition of default is closely aligned with the regulatory definition of default since it is used in credit risk management and includes exposures that have unpaid amounts that are more than 90 days past due. PD corresponds to the probability of an exposure defaulting at a given point in time during a 12-month horizon for stage 1 exposures or during the expected life time of the financial assets for stage 2 and stage 3 exposures. PD corresponds to the probability that an exposure will fall at a given point in time over a 12-month horizon for exposures in step 1 or during the financial asset's expected remaining maturity of exposures in step 2 and step 3. EAD corresponds to an expected credit exposure at the time of default after considering the expectation of repay



ments as well as interest and fees imposed. LGD corresponds to the expected credit loss on a defaulted credit exposure, taking into account expected payments after the date of default and expected sales prices of the remaining exposure. MF corresponds to the expected impact on the credit loss relating to macroeconomic factors, further description below. Expected credit losses are determined by calculating the PD, LGD, EAD and MF for each exposure. These parameters are multiplied by the outstanding balance on the reporting date and discounted to estimate the expected credit loss.

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

#### Modifications

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

#### Presentation of credit losses

For financial assets measured at amortized cost, provisions for credit losses are presented in the balance sheet as a reduction in the recognised gross value of the asset, to obtain the recognised net value.

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

#### Financial liabilities

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

#### Derivatives

All derivatives are recognized in the balance sheet and measured at fair value. Derivatives with positive fair values are recognized on the asset side under the item other assets. Derivatives with negative fair values are recognized on the liability side under the item other liabilities. Realized and unrealized gains and losses on derivatives are recognized under the item Net profit/loss from financial transactions in the income statement.

#### Leasing

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

#### Reporting in the group

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

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

#### Reporting in Qliro AB

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

#### Intangible assets

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

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

- there is an identifiable asset,
- the company has control of the asset and it is probable that the economic benefits that are attributable to the asset will flow to the company,
- the cost of the asset can be measured reliably, and there is adequate, technical, economic and other resources available to complete the development and to utilise or sell the intangible asset. The cost of the intangible asset comprises directly attributable expenses, such as expenses for employees and materials. Other development costs, that do not meet these criteria, are expensed as they arise.

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

#### Tangible assets

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

#### Impairment of non-financial assets

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

#### Cash flow statement

Qliro's cash flow statement is prepared in accordance with the indirect method. The recognised cash flow includes only transactions involving inflows and outflows of cash. Cash and cash equivalents are attributable to the item Lending to credit institutions.

#### Critical accounting estimates and assessments

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

### Note 3. Financial risk management

#### Risks and risk management

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

#### Credit risk

Credit risk is Qliro's dominant risk and is defined as the risk that counterparties are unable to fulfill their obligations. Credit risk entails that Qliro does not receive payment for issued invoices and/or will incur a loss due to the counterparty's inability to fulfill its commitments. Qliro manages credit risk by applying a sound lending process, well-defined regulations and limits for lending/exposure and a highly developed credit organisation. The risk is monitored, controlled and reported regularly to the CEO and board. Good credit risk management can optimise the profitability of lending activities. Qliro has no collateral on the loans.

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

#### Geographic distribution of exposures

##### The Group

Amounts in SEK million	2022-12-31					2021-12-31				
	Sweden	Denmark	Finland	Norway	Total	Sweden	Denmark	Finland	Norway	Total
Public sector	299.2	–	–	–	299.2	354.5	–	–	–	354.5
Financial institutions	903.0	–	–	–	903.0	58.6	–	0.1	–	58.7
Non-financial corporates	25.3	0.1	0.8	0.7	27.0	28.1	0.1	0.5	0.6	29.3
Retail	2,323.4	40.7	118.2	209.2	2,691.5	2,427.4	37.0	100.9	185.8	2,751.1
Defaulted exposures	144.3	9.9	8.9	14.9	178.1	116.5	6.2	7.9	22.3	152.9
<b>Total</b>	<b>3,695.3</b>	<b>50.8</b>	<b>127.8</b>	<b>224.9</b>	<b>4,098.8</b>	<b>2,985.0</b>	<b>43.3</b>	<b>109.4</b>	<b>208.8</b>	<b>3,346.4</b>

#### Credit quality of exposures by geographic area

##### The Group

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

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

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

Loans receivable by category of borrower Amounts in SEK million	2022-12-31	2021-12-31
<b>Loans receivable, net</b>	<b>2,686.6</b>	<b>2,758.9</b>
Of which, retail sector	2,683.9	2,754.9
Of which, public sector	0.2	0.2
Of which, corporate sector	2.6	3.8
<b>Total</b>	<b>2,686.6</b>	<b>2,758.9</b>

Maturity analysis of receivables	2022-12-31	2021-12-31
<b>Loans receivable, gross</b>	<b>2,830.4</b>	<b>2,871.0</b>
Not past due	2,077.8	2,152.2
1-30 days	424.0	432.0
31-90 days	161.0	143.1
>90 days	167.6	143.7
<b>Total</b>	<b>2,830.4</b>	<b>2,871.0</b>

The merchants offering Qliro's payment services also constitute a credit risk for Qliro. If a merchant closes or becomes insolvent, there is the risk that Qliro must compensate any returns from customers without being compensated by the merchant or possibly a bankruptcy estate. Qliro believes that this risk is considered to be limited based on the low probability that a credit loss event will occur in combination with a significant exposure to the merchant. In some of the

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Less credit loss - provisions	2022-12-31	2021-12-31
Not past due	-23.6	-20.6
1-30 days	-12.3	-11.7
31-90 days	-21.6	-18.2
>90 days	-86.3	-61.5
<b>Total</b>	<b>-143.8</b>	<b>-112.1</b>

Carrying amount	2022-12-31	2021-12-31
Not past due	2,054.2	2,131.6
1-30 days	411.8	420.3
31-90 days	139.4	124.9
>90 days	81.3	82.2
<b>Total</b>	<b>2,686.6</b>	<b>2,758.9</b>

agreements between Qliro and merchants it is stipulated that commission are paid in advance, fully or partially. Qliro is also exposed to credit risk in liquidity management through investments in financial instruments such as fixed-income securities and treasury bills eligible for refinancing. The risk is managed by only making investments with counterparties with a minimum credit rating of AA. Refer to note 17 for more information.

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

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

1) According to Standard & Poor

**Note 3. Financial risk management, cont.**
**Credit risk exposure, gross and net**
**The Group**

2021-12-31 (MSEK)	Credit risk-exposure (before impairment)	Loss provision	Carrying amount	Amount of collateral	Credit risk exposure including collateral
Lending to credit institutions	57.5	–	57.5	–	57.5
Lending to the public	2,871.0	–112.1	2,758.9	–	2,758.9
Other	63.9	–	63.9	–	63.9
of which credit institutions	–	–	–	–	–
<b>Total</b>	<b>2,992.4</b>	<b>–112.1</b>	<b>2,880.3</b>	<b>–</b>	<b>2,880.3</b>
Of which credit-impaired on the reporting date	152.9	–61.5	91.4	–	152.9
<b>Bonds and other fixed-income securities <sup>1)</sup></b>					
Government securities and other public bodies					
– AAA	255.2	–	255.2	–	255.2
– AA	98.8	–	98.8	–	98.8
<b>Total</b>	<b>354.0</b>	<b>–</b>	<b>354.0</b>	<b>–</b>	<b>354.0</b>
Of which credit-impaired on the reporting date	–	–	–	–	–
<b>Total credit risk exposure</b>	<b>3,346.4</b>	<b>–112.1</b>	<b>3,234.3</b>	<b>–</b>	<b>3,234.3</b>
Of which credit-impaired on the reporting date	152.9	–61.5	91.4	–	152.9

1) According to Standard &amp; Poor

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

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

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

The Group

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

**Note 3. Financial risk management, cont.**
**Credit quality of exposures by exposure class and instrument**
**The Group**

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

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

**Operational risk**

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

**Business risk/strategic risk**

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

**Interest rate risk**

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

Lending to the public, lending to credit institutions and investment portfolio have an average interest term of less than three months. The interest term of Qliro's credit facilities is one month and 62 percentage of deposits from the public have variable interest rates and 38 percentage have fixed interest rates with an average maturity of 185 days (originally six month or one-year fixed interest). Customers with deposits at fixed rates have the option of withdrawing the deposits before maturity but a penalty fee means that withdrawals before maturity are limited to a very low level.

Qliro follows EBA/GL/2018/02 Guidelines on the management of interest rate risk arising from non-trading book activities, and performs the sensitivity analysis described there with six standard scenarios. One of these scenarios is risk appetite which is found in the Finance Policy. The scenario means a parallel shift upwards of 200 basis points in the yield curve. The risk appetite is set as a share of own funds and may amount to a maximum of 4 percentage. For relevant interest rates, the interest rate risk amounted to 0.1 percentage of Qliro's own funds as of 31 December 2022, corresponding to SEK 4.6 million.

In addition to the six scenarios that affect equity, Qliro also performs a sensitivity analysis of the net interest risk. It is measured as an impact on the net interest over the coming twelve-month period at an increase of interest rate of 200 basis points and represents SEK 4.1 million, given the interest-bearing assets and liabilities that existed on the balance sheet date.

**Currency risk**

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

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

**Note 3. Financial risk management, cont.**
**Financial assets and liabilities specified by significant currencies**
**The Group**

Belopp i MSEK	2022-12-31					2021-12-31				
	SEK	EUR	NOK	DKK	Total	SEK	EUR	NOK	DKK	Total
<b>Assets</b>										
Lending to credit institutions	418.8	433.8	42.0	6.0	900.6	50.3	6.5	0.6	–	57.5
Lending to the public	2,325.0	115.2	206.6	39.8	2,686.6	2,437.4	98.7	187.2	35.6	2,758.9
Bonds and other fixed-income securities	293.6	–	–	–	293.6	343.6	10.4	–	–	354.0
Other assets	43.3	2.4	4.7	1.7	52.1	34.6	1.7	5.0	1.3	42.7
<b>Total assets</b>	<b>3,080.7</b>	<b>551.4</b>	<b>254.9</b>	<b>47.6</b>	<b>3,934.6</b>	<b>2,865.9</b>	<b>117.3</b>	<b>192.8</b>	<b>37.0</b>	<b>3,213.2</b>
<b>Liabilities</b>										
Liabilities to credit institutions	–	–	–	–	–	208.0	22.8	184.9	36.5	452.2
Deposits and borrowings from the public	2,604.0	716.5	–	–	3,320	1,831.0	400.0	–	–	2,231.0
Derivatives	–	–	–	–	–	1.2	–	–	–	1.2
Subordinated debt	100.0	–	–	–	100.0	100.0	–	–	–	100.0
Other liabilities and equity	162.7	126.5	8.8	1.3	299.3	119.0	1.4	8.0	0.4	128.8
<b>Total liabilities</b>	<b>2,866.7</b>	<b>843.0</b>	<b>8.8</b>	<b>1.3</b>	<b>3,719.8</b>	<b>2,259.3</b>	<b>424.2</b>	<b>192.9</b>	<b>36.9</b>	<b>2,913.2</b>
Currency swap	–	–289.9	–	–	–	–	–308.0	–	–	–
Effect of 10% change in foreign currency	–	–29.2	24.6	4.6	–	–	–30.7	–	–	–

**Liquidity risk**

Liquidity risk is defined as the risk that Qliro is not able to meet its payment obligations without significant increase of the cost to receive means of payment. Qliro's strategy is based on a well-balanced composition of assets and liabilities and allocation of maturities and currencies to keep liquidity risk at a low level. Qliro ensures that sufficient cash and cash equivalents are always available from a regulation and business perspective as well as the possibility to expand available financing, when necessary. Both Qliros Recovery plan and ERM-policy states a number of indicators that monitor liquidity risk and measures for strengthening liquidity in the event of liquidity stress. Liquidity risk is monitored, controlled and reported every day to the CEO and regularly to the board.

Qliro has liquid assets to ensure access to liquidity in the event of stressed market conditions (LCR). As of 31 December 2022, liquid investments amounted to SEK 294 million in the form of Swedish municipal bonds and municipal commercial papers which belong to the highest level (L1A) of assets qualified as high-quality liquid assets (HQLA). The average rating of the liquid investments was average AA+ with an average maturity of 486 days. In addition to the investments above, as of 31 December 2022, Qliro AB had SEK 899.7 million placed in Nordic banks and SEK 100 million in additional liquidity through undrawn financing in a secured contracted credit facility

As of 31 December 2022, Qliro AB had a liquidity coverage ratio of 239 percent. Qliro AB's liquidity coverage ratio measures that liquidity reserve of SEK 294 million related to net outflows of SEK 123 million over a 30-day period during stressed market conditions. A statutory limit of 100 percent applies to the liquidity coverage ratio. In addition to the liquidity coverage ratio, Qliro also has internal metrics that regulate liquidity risk. Survival horizon, which measures the number of days Qliro is able to handle the contractual outflows in a stressed scenario, should amount to at least 90 days while Cash ratio, which measures liquid investments in relation to total loan stock, shall amount to at least 10 percent.

**Funding source**

The net lending to the public of Qliro AB amounted to SEK 2,686 million (2,759) at the end of the year. The lending was funded with SEK 0 million (452) through a secured loan facility and with SEK 3,320 million (2,231) through deposits and borrowings from the public (saving accounts) in Sweden and Germany, whereof 99,5 percent are covered by the Swedish Deposit Guarantee Scheme. The deposits and borrowings from the public, had 68 percent variable interest and 38 percent had fixed interest with an average maturity of 185 days (originally 6 month fixed interest and one-year fixed interest) as of 31 December 2022. Corresponding 18 percent of deposits and borrowings from the public in Qliro AB are held as liquid fixed-income securities and as deposits in Nordic banks.

**Note 3. Financial risk management, cont.**
**Maturity analysis of financial assets and liabilities (contractual due dates not discounted cash flows)**
**The Group**

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

2021-12-31	Payable on demand	Less than 3 months	Between 3 months and 1 year	More than 1 year	Total
<b>Financial assets</b>					
Bonds and other fixed-income securities	–	145.0	209.0	–	354.0
Lending to credit institutions	57.5	–	–	–	57.5
Lending to the public	–	295.6	374.5	2,088.8	2,758.9
Other assets	–	42.7	–	–	42.7
<b>Total</b>	<b>57.5</b>	<b>483.3</b>	<b>583.5</b>	<b>2,088.8</b>	<b>3,213.1</b>
<b>Financial liabilities</b>					
Liabilities to credit institutions	–	–	–	452.2	452.2
Deposits and borrowings from the public	1,238.5	385.2	607.3	–	2,231.0
Derivatives	–	1.2	–	–	1.2
Leasing liabilities	–	2.0	8.1	4.7	14.9
Subordinated debt	–	–	–	100.0	100.0
<b>Total</b>	<b>1,238.5</b>	<b>388.3</b>	<b>615.4</b>	<b>556.9</b>	<b>2,799.2</b>
Undrawn credit facility	–	347.8	–	–	347.8

**Capital, capital adequacy and recovery plan**

Qliro is to always be well-capitalised. The Board has established capital targets aimed at meeting regulatory minimum requirements, buffer requirements and managing risk exposures in financial stress situations. Qliro performs stress tests using an ongoing capital adequacy assessment process to ensure that the company has sufficient capital for unexpected losses. The total capital ratio at year-end amounted to 17.1 percentage compared with the supervisory authority's capital requirement of 11.5 percentage. For more information on

capital adequacy, refer to Note 32. As part of the capital adequacy assessment process, Qliro has also prepared a recovery plan in accordance with the EU Bank Recovery and Resolution Directive ("BRRD") and the SFSA's regulations regarding recovery plans, group recovery plans and intra-group financial support agreements (FFFS 2016:6). The recovery plan describes and defines Qliro's strategy for preventing any deterioration of its financial situation.



**Note 4. Operating segments**
**Distribution of revenue  
The Group**

Amounts in SEK million	2022			2021		
	Payment Solutions	Digital Banking Services	Total	Payment Solutions	Digital Banking Services	Total
Interest income	198.9	90.0	288.9	174.3	88.3	262.6
Interest expenses	-34.3	-16.1	-50.4	-23.9	-15.8	-39.7
Net commission income	193.3	0.5	193.8	176.6	0.4	177.0
Net profit/loss from financial transactions	-4.0	-	-4.0	-1.4	-	-1.4
Other operating income	0.6	-	0.6	0.4	-	0.4
<b>Total operating income</b>	<b>354.5</b>	<b>74.4</b>	<b>428.9</b>	<b>326.0</b>	<b>72.9</b>	<b>398.8</b>
Net credit losses	-107.2	-27.0	-134.1	-76.6	-5.3	-81.9
<b>Total operating income less credit losses</b>	<b>247.4</b>	<b>47.4</b>	<b>294.8</b>	<b>249.3</b>	<b>67.6</b>	<b>316.9</b>

**Parent Company**

Amounts in SEK million	2022			2021		
	Payment Solutions	Digital banking Services	Total	Payment Solutions	Digital banking Services	Total
Interest income <sup>1)</sup>	198.9	90.0	288.9	174.3	88.3	262.6
Interest expense	-32.2	-18.1	-50.3	-24.6	-14.9	-39.5
Net commission income <sup>1)</sup>	193.3	0.5	193.8	176.6	0.4	177.0
Net profit/loss from financial transactions	-4.0	-	-4.0	-1.4	-	-1.4
Other operating income	0.6	-	0.6	0.4	-	0.4
<b>Total operating income</b>	<b>356.7</b>	<b>72.4</b>	<b>429.0</b>	<b>325.2</b>	<b>73.8</b>	<b>399.0</b>
Net credit losses	-107.2	-27.0	-134.1	-76.6	-5.3	-81.9
<b>Total operating income less credit losses</b>	<b>249.5</b>	<b>47.4</b>	<b>294.9</b>	<b>238.7</b>	<b>38.8</b>	<b>277.5</b>

1) In Q1 2022, items in other operating income in the Payment Solution segment have been reclassified to commission income, which means that comparative figures have been adjusted. For the full year 2021, the amount is SEK 10.7 million. There was also a recalcification from other operating expenses to commission expenses, for the full year 2021 with SEK 4.7 million. From this, the net commission has been adjusted for Payment Solution for the full year 2021 by SEK 5.9 million.

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

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

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

**The Group**

Amounts in SEK million	2022				2021			
	Sverige	Finland	Övriga Norden	Summa	Sverige	Finland	Övriga Norden	Summa
Net interest income	201.0	11.8	25.7	238.5	192.0	11.6	19.3	222.9
Net commission income	160.1	7.2	26.5	193.8	151.0	6.1	19.9	177.0
Net profit/loss from financial transactions	-2.0	0.1	-2.1	-4.0	-1.6	-0.1	0.3	-1.4
Other operating income	0.4	0.1	-	0.6	0.4	-	-	0.4
<b>Total</b>	<b>359.5</b>	<b>19.3</b>	<b>50.1</b>	<b>428.9</b>	<b>341.8</b>	<b>17.6</b>	<b>39.5</b>	<b>398.9</b>

**Parent Company**

Amounts in SEK million	2022				2021			
	Sverige	Finland	Övriga Norden	Summa	Sverige	Finland	Övriga Norden	Summa
Net interest income	201.1	11.8	25.7	238.6	192.2	11.6	19.3	223.1
Net commission income <sup>1)</sup>	160.1	07.2	26.5	193.8	151.0	6.1	19.9	177.0
Net profit/loss from financial transactions	-2.0	0.1	-2.1	-4.0	-1.7	-0.1	0.3	-1.4
Other operating income	0.4	0.1	-	0.6	0.4	-	-	0.4
<b>Total</b>	<b>359.7</b>	<b>19.3</b>	<b>50.1</b>	<b>429.0</b>	<b>341.9</b>	<b>17.6</b>	<b>39.5</b>	<b>399.0</b>

1) In Q1 2022, items in other operating income in the Payment Solution segment have been reclassified to commission income, which means that comparative figures have been adjusted. For the full year 2021, the amount is SEK 10.7 million. There was also a recalcification from other operating expenses to commission expenses, for the full year 2021 with SEK 4.7 million. From this, the net commission has been adjusted for Payment Solution for the full year 2021 by SEK 5.9 million.

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

**Note 5. Net interest income**

The Group		
Amounts in SEK million	2022	2021
<b>Interest income</b>		
Lending to credit institution <sup>1)</sup>	3.3	–
Lending to the public <sup>1)</sup>	282.0	262.4
Ineterest-bearing securities <sup>2)</sup>	3.6	0.2
<b>Total</b>	<b>288.9</b>	<b>262.6</b>
<b>Interest expense</b>		
Liabilities to credit institutions <sup>3)</sup>	–10.7	–12.0
Deposits and borrowings from the public <sup>3)</sup>	–31.4	–20.1
Interest-bearing securities <sup>4)</sup>	–0.7	–0.5
Subordinated debt <sup>3)</sup>	–7.5	–6.8
Lease liabilities <sup>3)</sup>	–0.1	–0.2
Other interest expenses <sup>3)</sup>	–	–0.1
<b>Total</b>	<b>–50.4</b>	<b>–39.7</b>
<b>Net interest income</b>	<b>238.5</b>	<b>222.9</b>
1) Interest income from financial items measured at amortized cost.	282.0	262.4
2) Interest income for financial items measured at fair value.	–	0.2
3) Interest expense from financial items measured at amortized cost.	–49.7	–39.2
4) Interest cost for financial items measured at fair value.	–0.7	–0.5
<b>Parent Company</b>		
Amounts in SEK million	2022	2021
<b>Interest income</b>		
Lending to credit institution <sup>1)</sup>	3,3	–
Lending to the public <sup>1)</sup>	282,0	262,4
Ineterest-bearing securities <sup>2)</sup>	3,6	0,2
<b>Total</b>	<b>288,9</b>	<b>262,6</b>
<b>Räntekostnader</b>		
Liabilities to credit institutions <sup>3)</sup>	–10,7	–12,0
Deposits and borrowings from the public <sup>3)</sup>	–31,4	–20,1
Interest-bearing securities <sup>4)</sup>	–0,7	–0,5
Subordinated debt <sup>3)</sup>	–7,5	–6,8
Other interest expenses <sup>3)</sup>	–	–0,1
<b>Total</b>	<b>–50,3</b>	<b>–39,5</b>
<b>Net interest income</b>	<b>238,6</b>	<b>223,1</b>
1) Interest income from financial items measured at amortized cost.	282,0	262,4
2) Interest income for financial items measured at fair value.	–	0,2
3) Interest expense from financial items measured at amortized cost.	–49,6	–39,0
4) Interest cost for financial items measured at fair value.	–0,7	–0,5

**Note 6. Commission income**

The Group / Parent company		
Amounts in SEK million	2022	2021
Lending commissions	161.6	147.7
Other commission income	41.5	39.7
<b>Total</b>	<b>203.1</b>	<b>185.4</b>
<b>Commission income per geographic market and segment</b>		
Amounts in SEK million	2022	2021
<b>Payment Solutions</b>		
Lending commissions		
Sweden	127.6	119.2
Finland	7.4	6.6
Denmark	3.9	2.7
Norway	22.2	16.8
<b>Total</b>	<b>161.1</b>	<b>145.3</b>
<b>Other commission income</b>		
Sweden	40.2	38.1
Finland	0.4	0.4
Denmark	–	–
Norway	0.9	1.2
<b>Total</b>	<b>41.5</b>	<b>39.7</b>
<b>Total commission income</b>		
<b>Payment Solutions</b>	<b>202.6</b>	<b>184.9</b>
<b>Digital Banking Services</b>		
<b>Lending commissions</b>		
Sweden	0.5	0.4
<b>Total lending commissions</b>		
<b>Digital Banking</b>	<b>0.5</b>	<b>0.4</b>
<b>Total commission income</b>	<b>203.1</b>	<b>185.4</b>

In Q1 2022, items in other operating income in the Payment Solutions segment have been reclassified to commission income, which means that comparative figures have been adjusted. For the full year 2021, the amount amounts to SEK 10.7 million.

**Note 7. Commission expenses**

The Group / Parent company		
Amounts in SEK million	2022	2021
Other commission expenses	–9.3	–8.4
<b>Total</b>	<b>–9.3</b>	<b>–8.4</b>

In Q1 2022, items in other operating costs in the Payment Solutions segment have been reclassified to commission costs, which means that comparative figures have been adjusted. For the full year 2021, the amount amounts to SEK 4.7 million.

**Note 8. Net profit/loss from financial transactions**
**The Group / Parent company**

Amounts in SEK million	2022	2021
Net profit/loss on fixed-income securities	–	–0.2
Realised/unrealised exchange rate fluctuations	–4.0	–1.2
<b>Total</b>	<b>–4.0</b>	<b>–1.4</b>
<b>Net profit/loss permeasurement category</b>		
Financial assets measured at fair value through other comprehensive income	–	–0.2
Financial assets /liabilities measured at amortised cost	–4.0	–1.2
<b>Total</b>	<b>–4.0</b>	<b>–1.4</b>

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

Amounts in SEK million	2022	2021
<b>Staff costs, employees</b>		
Salaries, bonuses and other remunerations	–114.0	–121.0
Capitalised payroll expenses	35.7	37.8
Pension costs	–13.4	–14.4
Social security costs	–38.6	–39.5
Other staff costs	–10.0	–3.7
<b>Total</b>	<b>–140.3</b>	<b>–140.8</b>
<b>Staff costs, board of directors and CEO</b>		
Salaries, bonuses and other remunerations	–3.2	–9.8
Pension costs <sup>1)</sup>	–0.5	–1.4
Social security costs	–1.1	–3.3
Other staff costs	–0.2	–0.1
<b>Total</b>	<b>–5.0</b>	<b>–14.6</b>
<b>Total staff costs</b>	<b>–145.3</b>	<b>–155.4</b>
<b>Other administrative expenses</b>		
Costs of premises	–10.1	–7.7
IT expenses	–43.3	–35.3
Postage costs	–17.3	–13.4
Consultant fees	–57.9	–15.3
Transaction costs	–5.2	–5.6
Legal costs	–5.8	–2.3
Other general administrative expenses	5.0	–6.0
<b>Total</b>	<b>–134.6</b>	<b>–85.6</b>
<b>Total general administrative expenses</b>	<b>–279.9</b>	<b>–241.0</b>

**Parent Company**

Amounts in SEK million	2022	2021
<b>Staff costs, employees</b>		
Salaries, bonuses and other remunerations	–114.0	–121.0
Capitalised payroll expenses	35.7	37.8
Pension costs	–13.4	–14.4
Social security costs	–38.6	–39.5
Other staff costs	–10.0	–3.7
<b>Total</b>	<b>–140.3</b>	<b>–140.8</b>
<b>Staff costs, board of directors and CEO</b>		
Salaries, bonuses and other remunerations	–03.2	–9.8
Pension costs <sup>1)</sup>	–0.5	–1.4
Social security costs	–1.1	–3.3
Other staff costs	–0.2	–0.1
<b>Total</b>	<b>–05.0</b>	<b>–14.6</b>
<b>Total staff costs</b>	<b>–145.3</b>	<b>–155.4</b>
<b>Other administrative expenses</b>		
Costs of premises	–18.3	–15.9
IT expenses	–43.3	–35.3
Postage costs	–17.3	–13.4
Consultant fees	–57.9	–15.3
Transaction costs	–5.2	–5.6
Legal costs	–5.8	–2.3
Other general administrative expenses	5.0	–6.0
<b>Total</b>	<b>–142.8</b>	<b>–93.7</b>
<b>Total general administrative expenses</b>	<b>–288.1</b>	<b>–249.2</b>

1) All pension costs are costs for premiums.

**Employee benefits**

The guidelines for remuneration at Qliro follow the SFSA's regulations regarding remuneration systems in credit institutions (FFFS 2011:1). Through the remuneration policy, the board establishes the principles that are to be followed and addresses the decision-making processes, and the structure function and control of the remuneration system. Other senior executives have a period of notice in accordance with applicable agreements and are not entitled to receive severance pay.

**Variable remuneration**

Qliro pays a small number and has relatively low variable remuneration. This combined with the criteria for triggering payment of variable remuneration,

has been deemed to discourage individuals from taking unsound risks in the operations. Disclosures on remuneration to be provided in accordance with the SFSA's regulations are presented on Qliro's website: [www.qliro.com](http://www.qliro.com).

**Pension commitments**

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

**Note 9. General administrative expenses cont.**
**Remuneration of senior executives**

Amounts in SEK thousand	Basic salary /fees	Paid out variable remuneration	Other benefits	Pension costs	Total
<b>2022</b>					
Patrik Enblad, styrelseordförande (from 17-05-2022)	402	–	–	–	402
Lennart Jacobsen, styrelseordförande (until 17-05-2022)	237	–	–	–	237
Lennart Francke, styrelseledamot	425	–	–	–	425
Mikael Kjellman, styrelseledamot (from 17-05-2022)	187	–	–	–	187
Robert Burén, styrelseledamot (until 17-05-2022)	114	–	–	–	114
Helena Nelson, styrelseledamot	375	–	–	–	375
Monica Caneman, styrelseledamot	425	–	–	–	425
Alexander Antas, styrelseledamot	300	–	–	–	300
Christoffer Rutgersson, VD (from 1-10-2022)	758	–	1	541	1,300
Jonas Arlebäck <sup>1)</sup> , interim VD (until till 30-9-2022)	–	–	–	–	–
Carolina Brandtman <sup>2)</sup> , VD (until 31-01-2022)	–	–	–	–	–
Andra ledande befattningshavare <sup>3)</sup> (10 st)	13,729	180	13	2,979	16,900
<b>Summa</b>	<b>16,952</b>	<b>180</b>	<b>14</b>	<b>3,520</b>	<b>20,666</b>

1) Consulting fees of SEK 4.2 million have been paid in 2022 to Jonas Arlebäck. The cost is reported under other administration costs, hence this is not reported in the table above.

2) Salary and severance pay paid to former CEO Carolina Brandtman in 2022 were taken up in 2021.

3) Consulting fees of SEK 5.8 million have been paid in 2022 to three interim people in senior positions. The costs are reported under other administration costs, hence this is not reported in the table above.

Amounts in SEK thousand	Basic salary /fees	Paid out variable remuneration	Other benefits	Pension costs	Total
<b>2021</b>					
Lennart Jacobsen, styrelseordförande	625	–	–	–	625
Lennart Francke, styrelseledamot	463	–	–	–	463
Helena Nelson, styrelseledamot	413	–	–	–	413
Robert Burén, styrelseledamot	300	–	–	–	300
Monica Caneman, styrelseledamot	425	–	–	–	425
Alexander Antas, styrelseledamot <sup>3)</sup>	332	–	–	–	332
Carolina Brandtman, VD <sup>4)</sup>	6,672	593	5	1,389	8,659
Andra ledande befattningshavare (10 st)	14,959	469	18	3,762	19,207
<b>Summa</b>	<b>24,188</b>	<b>1,062</b>	<b>23</b>	<b>5,151</b>	<b>30,423</b>

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

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

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

4) Av VD:s totala ersättning avser 3 136 TSEK en reserv för lön och avgångsvederlag som betalas ut 2022 samt en extra pensionsavsättning om 395 TSEK.

**Note 10. Auditors' fees**
**The Group / Parent company**

Amounts in SEK million	2022	2021
KPMG		
Audit engagements <sup>1)</sup>	–2.1	–1.6
Auditing activities in addition to audit engagement	–0.3	–0.3
Tax consulting	–0.2	–0.2
<b>Total</b>	<b>–2.6</b>	<b>–2.2</b>

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

**Note 11. Average number of FTEs**
**The Group / Parent company**

	2022	2021
Average number of employees	181	208
Of whom women	80	96
Of whom men	101	112

**Specification of senior executives on balance sheet date**

	2022-12-31	2021-12-31
<b>Women</b>		
Board members	2	2
Other members of executive management incl. CEO	5	5
<b>Men</b>		
Board members	4	4
Other members of executive management incl. CEO	10	6
<b>Total</b>	<b>21</b>	<b>17</b>

**Note 12. Depreciation/amortization of tangible and intangible assets**

The Group		
Amounts in SEK million	2022	2021
Amortization of intangible assets	-89.1	-76.5
Depreciation of tangible assets	-16.4	-19.5
Write-downs of intangible assets	-	-
Write-down of tangible assets	-0.2	-
<b>Total</b>	<b>-105.6</b>	<b>-96.0</b>

Parent company		
Amounts in SEK million	2022	2021
Amortization of intangible assets	-89.1	-76.5
Depreciation of tangible assets	-8.1	-11.2
Write-downs of intangible assets	-	-
Total	-0.2	-
<b>Summa</b>	<b>-97.4</b>	<b>-87.7</b>

**Note 13. Other operating expenses**

The Group / Parent company		
Amounts in SEK million	2022	2021
Marketing	-7.6	-3.6
Credit check costs	-13.0	-15.2
Other operating expenses	-4.2	-14.2
<b>Total</b>	<b>-24.8</b>	<b>-33.0</b>

**Note 14. Net credit losses**

The Group / Parent company		
Amounts in SEK million	2022	2021
<b>Expected credit losses on items in the balance sheet</b>		
Net loss provision for the period, Stage 1	-1.4	2.6
Net loss provision for the period, Stage 2	-4.4	11.2
<b>Total net credit losses non-creditimpaired lending</b>	<b>-5.9</b>	<b>13.8</b>
Net loss provision for the period, Stage 3	-23.8	6.0
Net confirmed credit losses for the period	-104.4	-101.7
<b>Total net credit losses credit-impaired lending</b>	<b>-128.3</b>	<b>-95.7</b>
<b>Net credit losses</b>	<b>-134.1</b>	<b>-81.9</b>
<b>Loss provision on loans measured at amortised cost</b>	<b>-143.8</b>	<b>-112.1</b>

Contractual amounts that are written off and are still subject to compliance measures amounted to SEK 24.3 (22.3) at year-end.

**Note 15. Taxes**

Parent company		
Amounts in SEK million	2022	2021
Current income tax expense	22.0	8.4
Adjustment of tax attributable to prior years	-	-
Adjustment of tax attributable to changed corporate tax	-	-
<b>Total recognised tax expense</b>	<b>22.0</b>	<b>8.4</b>

Tax of 22.0 million (8,4) is recognised in Sweden and includes foreign operations.

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

Amounts in SEK million	2022	2021
Profit/loss before tax	-115.3	-48.0
Deferred tax income in capitalised taxable value of loss carry-forwards for the year	23.8	9.9
Tax effect of non-deductible expenses	-1.8	-1.5
<b>Current income tax expense</b>	<b>22.0</b>	<b>8.4</b>

Amounts in SEK million	2022	2021
Current income tax expense	22.0	8.4
<b>Tax items recognised directly against equity</b>		
Deferred tax attributable to previous years	37.2	23.9
Deferred tax attributable to changed accounting policies <sup>1)</sup>	-	4.8
<b>Tax attributable to other comprehensive income</b>		
Deferred tax attributable to change in financial assets measured at fair value	1.0	0.0
<b>Total deferred tax</b>	<b>60.2</b>	<b>37.2</b>

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

**Note 16. Lending to credit institutions**

The Group		
Amounts in SEK million	2022-12-31	2021-12-31
Lending to credit institutions	900.6	57.5
Of which, SEK	424.7	50.3
Of which, foreign currency	475.9	7.2
<b>Total</b>	<b>900.6</b>	<b>57.5</b>

Parent company		
Amounts in SEK million	2022-12-31	2021-12-31
Lending to credit institutions	898.1	54.9
Of which, SEK	422.1	47.7
Of which, foreign currency	475.9	7.2
<b>Total</b>	<b>898.1</b>	<b>54.9</b>

**Note 17. Lending to the public**
**The Group / Parent company**

Amounts in SEK million	2022-12-31	2021-12-31
Loans receivable	2,830.4	2,871.0
Provisions for expected credit losses	-143.8	-112.1
<b>Total</b>	<b>2,686.6</b>	<b>2,758.9</b>

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

Amounts in SEK million	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Assets measured at amortised cost				
<b>Opening balance, 1 January 2022</b>	<b>2,278.7</b>	<b>448.6</b>	<b>143.7</b>	<b>2,871.0</b>
New lending for the period	1119.1	150.3	50.2	1,319.6
Change in existing loans	-265.3	-71.5	-16.5	-353.3
Decrease in lending for the period	-809.9	-104.9	-92.0	-1,006.9
Transfers:				
Transfer from stage 1 to stage 2	-165.1	165.1	-	-
Transfer from stage 1 to stage 3	-45.7	-	45.7	-
Transfer from stage 2 to stage 1	80.0	-80.0	-	-
Transfer from stage 2 to stage 3	-	-38.5	38.5	-
Transfer from stage 3 to stage 1	0.6	-	-0.6	-
Transfer from stage 3 to stage 2	-	1.1	-1.1	-
<b>Closing balance, 31 December 2022</b>	<b>2,192.5</b>	<b>470.1</b>	<b>167.8</b>	<b>830.4</b>

Amounts in SEK million	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Assets measured at amortised cost				
<b>Opening balance, 1 January 2021</b>	<b>1,940.9</b>	<b>477.8</b>	<b>172.1</b>	<b>2,590.8</b>
New lending for the period	1,398.6	155.4	49.5	1,603.5
Change in existing loans	12.8	6.9	-3.9	15.7
Decrease in lending for the period	-1,014.6	-181.2	-143.2	-1,339.0
Transfers:				
Transfer from stage 1 to stage 2	-142.0	142.0	-	-
Transfer from stage 1 to stage 3	-35.7	-	35.7	-
Transfer from stage 2 to stage 1	118.0	-118.0	-	-
Transfer from stage 2 to stage 3	-	-35.4	35.4	-
Transfer from stage 3 to stage 1	0.8	-	-0.8	-
Transfer from stage 3 to stage 2	-	1.1	-1.1	-
<b>Closing balance, 31 December 2021</b>	<b>2,278.7</b>	<b>448.6</b>	<b>143.7</b>	<b>2,871.0</b>

**Note 17. Lending to the public cont.**
**Change in loss allowance – Lending (IFRS 9)**

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

**Change in loss allowance – Lending (IFRS 9)**

Amounts in SEK million	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
Assets measured at amortised cost				
<b>Opening balance, 1 January 2021</b>	<b>18.5</b>	<b>45.4</b>	<b>66.6</b>	<b>130.5</b>
New loss allowance for the period	09.3	15.3	22.2	46.8
Changes in loss allowance in existing loans	16.7	-0.3	-01.5	15.0
Decrease in loss allowance for the period	-8.2	-21.9	-50.1	-80.1
Transfers:				
Transfer from stage 1 to stage 2	-09.7	09.7	-	-
Transfer from stage 1 to stage 3	-12.3	-	12.3	-
Transfer from stage 2 to stage 1	1.5	-1.5	-	-
Transfer from stage 2 to stage 3	-	-12.2	12.2	-
Transfer from stage 3 to stage 1	-	-	-	-
Transfer from stage 3 to stage 2	-	0.2	-0.2	-
<b>Closing balance, 31 December 2021</b>	<b>16.0</b>	<b>34.6</b>	<b>61.5</b>	<b>112.1</b>

**Note 18. Bonds and other fixed-income securities**

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

**The Group / Parent company**

Amounts in SEK million	2022-12-31	2021-12-31
Issued by public bodies	293.6	354.0
<b>Total</b>	<b>293.6</b>	<b>354.0</b>
Of which, sek	293.6	343.6
Of which, euro	-	10.4

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

The fair value of the investments as of 2022-12-31 amounted to SEK 293.6 (354.0), refer to note 3 for more information.

The carrying amount of the bonds and other fixed-income securities that have a remaining maturity of a maximum of one year amounts to SEK 293.6 (354.0).

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

Amounts in SEK million	2022-12-31	2021-12-31
Value at acquisition date	0.1	0.1
<b>Total</b>	<b>0.1</b>	<b>0.1</b>

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

## Note 20. Intangible assets

Internally generated capitalised development costs with determinable useful lives.

### The Group / Parent company

Amounts in SEK million	2022-12-31	2021-12-31
Cost at beginning of the year	435.9	353.1
New acquisitions and internal development <sup>1)</sup>	88.7	82.8
<b>Cost at year-end</b>	<b>524.6</b>	<b>435.9</b>
<b>Accumulated amortisation at beginning of the year</b>	<b>-266.8</b>	<b>-190.3</b>
Amortisation for the year	-89.1	-76.5
<b>Accumulated amortisation at year-end</b>	<b>-355.9</b>	<b>-266.8</b>
<b>Closing carrying amount</b>	<b>168.7</b>	<b>169.1</b>

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

1) Of which SEK 35.7 million (37.8) for internally generated work.

## Note 21. Tangible assets

### The Group

Amounts in SEK million	2022-12-31	2021-12-31
<b>Cost at beginning of the year</b>	<b>88.8</b>	<b>73.3</b>
Purchases for the year	3.0	7.5
Additional rights to use premises and buildings	-	8.0
Outgoing rights to use premises and buildings	-22.8	-
Årets utranteringar	-0.4	-
<b>Cost at year-end</b>	<b>68.6</b>	<b>88.8</b>
<b>Accumulated depreciation at beginning of the year</b>	<b>-61.3</b>	<b>-41.8</b>
Depreciation for the year	-16.4	-19.5
Justeringar avgående nyttjanderätter	22.8	-
Årets utranteringar	0.2	-
<b>Accumulated depreciation at year-end</b>	<b>-54.7</b>	<b>-61.3</b>
<b>Closing carrying amount</b>	<b>13.9</b>	<b>27.5</b>

### Parent company

Amount in SEK million	2022-12-31	2021-12-31
<b>Cost at beginning of the year</b>	<b>58.0</b>	<b>50.5</b>
Purchases for the year	3.0	7.5
Årets utranteringar	-0.4	-
<b>Cost at year-end</b>	<b>60.6</b>	<b>58.0</b>
<b>Accumulated depreciation at beginning of the year</b>	<b>-44.7</b>	<b>-33.5</b>
Depreciation for the year	-8.1	-11.2
Årets utranteringar	0.2	-
<b>Accumulated depreciation at year-end</b>	<b>-52.7</b>	<b>-44.7</b>
<b>Closing carrying amount</b>	<b>7.9</b>	<b>13.3</b>

## Note 22. Other assets

### The Group

Amounts in SEK million	2022-12-31	2021-12-31
Accounts receivable	45.8	40.2
Current tax assets	8.2	6.2
Other receivables	4.5	0.8
<b>Total</b>	<b>58.5</b>	<b>47.2</b>

### Parent company

Amounts in SEK million	2022-12-31	2021-12-31
Accounts receivable	45.8	40.2
Current tax assets	8.2	6.2
Receivables from Group companies	2.5	2.5
Other receivables	4.5	0.8
<b>Total</b>	<b>61.0</b>	<b>49.8</b>

## Note 23. Prepaid expenses and accrued income

### The Group / Parent company

Amounts in SEK million	2022-12-31	2021-12-31
Prepaid rental charges	1.9	3.1
Prepaid pension premiums	1.0	1.1
Prepaid licences	10.4	9.8
Prepaid marketing expenses	0.3	2.1
Prepaid commission expenses	5.5	4.8
Other prepaid expenses	-	1.6
Accrued income	1.8	0.1
<b>Accrued interest</b>	<b>21.1</b>	<b>22.6</b>

## Note 24. Liabilities to credit institutions

### The Group / Parent company

Amounts in SEK million	2022-12-31	2021-12-31
Swedish banks	-	452.2
Of which, SEK	-	208.0
Of which, foreign currency	-	244.1
<b>Total</b>	<b>-</b>	<b>452.2</b>

## Note 25. Deposits and borrowings from the public

### The Group / Parent company

Amounts in SEK million	2022-12-31	2021-12-31
Deposits and borrowings from the public	3,320.5	2,231.0
<b>By category</b>		
Private individuals	3,320.5	2,231.0
Companies	-	-
<b>Total</b>	<b>3,320.5</b>	<b>2,231.0</b>
<b>By currency</b>		
Swedish currency	2,604.0	1,831.0
Foreign currency	716.5	400.0
<b>Total</b>	<b>3,320.5</b>	<b>2,231.0</b>



**Note 26. Other liabilities**

The Group		
Amounts in SEK million	2022-12-31	2021-12-31
Accounts payable	16.4	5.5
Tax at source, employees	3.4	3.5
Factoring	34.2	5.2
Excess payments from customers	23.5	25.6
Leasing liabilities	6.8	14.9
Other liabilities	144.3	19.4
<b>Total</b>	<b>228.6</b>	<b>74.1</b>

Parent company		
Amounts in SEK million	2022-12-31	2021-12-31
Accounts payable	16.4	5.5
Tax at source employees	3.4	3.5
Factoring	34.2	5.2
Excess payments from customers	23.5	25.6
Other liabilities	144.3	19.4
<b>Total</b>	<b>221.8</b>	<b>59.3</b>

**Note 27. Derivatives**

Derivative instruments  
Derivatives for hedging fair value not hedge account.

The Group / Parent company		
Amounts in SEK million	2022-12-31	2021-12-31
Currency-related contracts – asset (euro)	1.7	–
Currency-related contracts – liability (euro)	–	1.2
<b>Total</b>	<b>1.7</b>	<b>-1.2</b>

**Note 28. Accrued expenses and deferred income**

The Group / Parent company		
Amounts in SEK million	2022-12-31	2021-12-31
Accrued staff costs	31.0	25.7
Accrued commissions	23.7	23.4
Accrued bonus costs	2.3	1.6
Accrued postage costs	4.1	1.5
Accrued credit check costs	4.4	1.6
Other deferred income/accrued expenses	19.1	13.2
Accrued interest expense	0.7	0.5
<b>Total</b>	<b>85.3</b>	<b>67.5</b>

**Note 29. Subordinated debt**

The Group / Parent company		
Amounts in SEK million	2022-12-31	2021-12-31
Bonds	100.0	100.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Under the third quarter 2019 Qliro issued SEK 100 million subordinated Tier 2 capital notes.

The financial instrument has been registered at Nasdaq Stockholm in October 2019.

The bond issue is subordinated to other liabilities and can be counted into own funds as tier 1 capital according to current regulation.

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

**Note 30. Equity**
**Specification share capital**

As of 31 December 2022 the registered share capital of 53,324,324 (50,324,324) comprised ordinary shares with a quota value of SEK 2.80 per share.

**Rights issue**

A new issue through tied equity has increased the share capital by SEK 3,080,000.

**Warrants**

At the general meeting on December 31, it was decided to start a long-term incentive program in 2023 ("LTIP 2023"), incl. issue and transfer of warrants. LTIP 2023 is aimed at up to 55 senior executives and other key persons and includes the issue and transfer of up to 945,946 warrants. Each warrant entitles the holder to subscribe for a new share in Qliro for SEK 25.00 per share during the first quarter of 2026. The share capital can be increased by a maximum of SEK 2,648,648.80 through LTIP 2023.

The meeting also decided to start a short-term incentive program in 2023 ("STIP 2023"). STIP 2023 includes up to 23 senior executives and other key personnel who, through the program, can receive a bonus comprising up to 50 percent of an annual salary. 55 percent of the bonus is intended to be paid in cash and 45 percent in the form of Qliro shares. An additional general meeting resolution is required for the issue of bonus shares. However, Qliro can choose to pay out the entire bonus in cash. The participants in STIP 2023 will undertake to hold shares that are paid out as share bonuses within STIP 2023 for a period of three years.

**Reserve for fair value**

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

**Reserve for development costs**

In the parent company the regulations concerning provisions for reserve for development costs are applied. Upon capitalization of in-house developed intangible assets, an amount corresponding to the capitalized development costs, is transferred from non-restricted equity to a reserve for development costs within restricted equity. Upon amortization of capitalized development costs, the corresponding amount is returned to non-restricted equity. The change for the year for the reserve for development costs comprises of in-house developed capitalized development fees of SEK 83.56 million (59.5) and the amortization of the year of SEK 72.6 million (61.5).

**Note 31. Financial instruments – classification and fair value**
**Classification of financial instruments**
**The Group**

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

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

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

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

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

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

Amounts in SEK million	Level 1	Level 2	Level 3
<b>2022-12-31</b>			
Bonds and other fixed-income securities	293.6	-	-
Derivatives	-	1.7	-
<b>Total assets</b>	<b>293.6</b>	<b>1.7</b>	-
Derivatives	-	-	-
<b>Total liabilities</b>	-	-	-
<b>2021-12-31</b>			
Bonds and other fixed-income securities	354.0	-	-
<b>Total assets</b>	<b>354.0</b>	-	-
Derivatives	-	1.2	-
<b>Total liabilities</b>	-	<b>1.2</b>	-

**Fair value of financial instruments amortised cost<sup>1)</sup>**
**The Group**

Amounts in SEK million	Nivå 1	Nivå 2	Nivå 3
<b>2022-12-31</b>			
Liabilities to credit institutions	-	-	900.6
Lending to the public	-	-	2,686.6
Other assets	-	-	50.2
Accrued income	-	-	1.8
<b>Total</b>	-	-	<b>3,639.3</b>
Liabilities to credit institutions	-	-	-
Deposits and borrowings from the public	-	-	3,320.5
Other liabilities	-	-	221.5
Accrued expenses	-	-	77.8
Subordinated debt	-	100.0	-
<b>Total</b>	-	<b>100.00</b>	<b>3,619.8</b>
<b>Belopp i MSEK</b>			
<b>2021-12-31</b>			
Liabilities to credit institutions	-	-	57.5
Lending to the public	-	-	2,758.9
Other assets	-	-	41.0
Accrued income	-	-	1.7
<b>Total</b>	-	-	<b>2,859.0</b>
Liabilities to credit institutions	-	-	452.2
Deposits and borrowings from the public	-	-	2,231.0
Other liabilities	-	-	69.1
Accrued expenses	-	-	59.7
Subordinated debt	-	100.0	-
<b>Total</b>	-	<b>100.00</b>	<b>2,812.0</b>

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

### Note 32. Capital Adequacy Analysis

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

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

#### Key metrics

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

	2022-12-31	2021-12-31	2021-09-30	2021-06-30	2020-03-31	
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	339.1	441.9	472.9	465.5	488.0
2	Tier 1 capital	339.1	441.9	472.9	465.5	488.0
3	Total capital	439.1	541.9	572.9	565.5	588.0
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	2,562.8	2,423.0	2,322.3	2,242.8	2,211.1
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	13.2%	18.2%	20.4%	20.8%	22.1%
6	Tier 1 ratio (%)	13.2%	18.2%	20.4%	20.8%	22.1%
7	Total capital ratio (%)	17.1%	22.4%	24.7%	25.2%	26.6%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
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%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>						
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 (%)	1.0%	0.1%	0.1%	0.1%	0.1%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer	0.0%	0.0%	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	3.5%	2.6%	2.6%	2.6%	2.6%
EU 11a	Overall capital requirements (%)	11.5%	10.6%	10.6%	10.6%	10.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	5.2%	10.2%	12.4%	12.8%	14.1%
<b>Leverage ratio</b>						
13	Total exposure measure	4,067.2	3,370.2	3,306.1	3,262.3	3,231.4
14	Leverage ratio	8.3%	13.1%	14.3%	14.3%	15.1%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
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 (percentage points)	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%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
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%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	293.6	254.0	160.5	400.7	260.7
16a	Cash outflows – Total weighted value	492.0	279.2	401.5	270.7	349.4
16b	Cash inflows – Total weighted value	934.5	213.3	410.6	280.6	409.7
16	Total net cash outflows (adjusted value)	123.0	69.8	100.4	67.7	87.4
17	Liquidity coverage ratio (%)	238.7%	364.0%	159.9%	592.0%	298.4%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	3,656.5	3,105.4	3,008.5	3,058.8	3,046.7
19	Total required stable funding	2,831.2	2,601.8	2,392.2	2,339.5	2,283.4
20	NSFR ratio (%)	129.1%	119.4%	125.8%	130.7%	133.4%

#### Statement for the total capital requirement and capital base

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

**Note 32. Capital Adequacy Analysis cont.**

	2022-12-31		2021-12-31		2021-09-30		2021-06-30		2021-03-31	
	MSEK	%	MSEK	%	MSEK	%	MSEK	%	MSEK	%
<b>Risk weighted – Capital requirements</b>										
<b>Risk-weighted exposure amounts</b>										
Total risk exposure amount	2,562.8	–	2,423.0	–	2,322.3	–	2,242.8	–	2,211.1	–
<b>Capital requirements</b>										
Common Equity Tier 1 (CET1) capital	115.3	4.5%	109.0	4.5%	104.5	4.5%	100.9	4.5%	99.5	4.5%
Tier 1 capital	153.8	6.0%	145.4	6.0%	139.3	6.0%	134.6	6.0%	132.7	6.0%
Total capital	205.0	8.0%	193.8	8.0%	185.8	8.0%	179.4	8.0%	176.9	8.0%
<b>Additional own funds requirements (Pillar 2)</b>										
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 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Combined buffer requirement</b>										
Capital conservation buffer	64.1	2.5%	60.6	2.5%	58.1	2.5%	56.1	2.5%	55.3	2.5%
Institution specific countercyclical capital buffer	26.8	1.0%	1.6	0.1%	1.2	0.1%	1.2	0.1%	1.1	0.1%
Combined buffer requirement	90.9	3.5%	62.1	2.6%	59.3	2.6%	57.3	2.6%	56.4	2.6%
<b>Pillar 2 guidance</b>										
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 capital	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Overall capital requirements</b>										
Common Equity Tier 1 (CET1) capital	206.2	8.0%	171.2	7.1%	163.8	7.1%	158.2	7.1%	155.9	7.1%
Tier 1 capital	244.7	9.5%	207.5	8.6%	198.6	8.6%	191.9	8.6%	189.1	8.6%
Total capital	295.9	11.5%	256.0	10.6%	245.1	10.6%	236.7	10.6%	233.3	10.6%
<b>Available own funds</b>										
Common Equity Tier 1 (CET1) capital	339.1	13.2%	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%
Tier 1 capital	339.1	13.2%	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%
Total capital	439.1	17.1%	541.9	22.4%	572.9	24.7%	565.5	25.2%	588.0	26.6%

- 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. 1 2. Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-requirement).
- 3) Combined buffer requirement according to chapter 2. 2. Act (2014:966) on capital buffers.
- 4) Notification according to 2 chapter. 1 c. Act (2014: 968) on special supervision of credit institutions and securities companies (Pillar 2-guidance).

	2022-12-31		2021-12-31		2021-09-30		2021-06-30		2021-03-31	
	MSEK	%	MSEK	%	MSEK	%	MSEK	%	MSEK	%
<b>Leverage ratio - Capital requirements</b>										
<b>Exposure amounts</b>										
Exposure amounts	4,067.2	–	3,370.2	–	3,306.1	–	3,262.3	–	3,231.4	–
<b>Leverage requirements (Pillar 1 requirements)<sup>1)</sup></b>										
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	122.0	3.0%	101.1	3.0%	99.2	3.0%	97.9	3.0%	96.9	3.0%
<b>Additional leverage ratio requirements (Pillar 2 requirements)<sup>2)</sup></b>										
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%
<b>Leverage ratio guidance (Pillar 2 guidance)<sup>3)</sup></b>										
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%
<b>Total capital</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Overall leverage requirements</b>										
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	122.0	3.0%	101.1	3.0%	99.2	3.0%	97.9	3.0%	96.9	3.0%
<b>Total capital</b>	<b>122.0</b>	<b>3.0%</b>	<b>101.1</b>	<b>3.0%</b>	<b>99.2</b>	<b>3.0%</b>	<b>97.9</b>	<b>3.0%</b>	<b>96.9</b>	<b>3.0%</b>
<b>Available own funds</b>										
Common Equity Tier 1 (CET1) capital	339.1	13.2%	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%
Tier 1 capital	339.1	13.2%	441.9	18.2%	472.9	20.4%	465.5	20.8%	488.0	22.1%
<b>Total capital</b>	<b>439.1</b>	<b>17.1%</b>	<b>541.9</b>	<b>22.4%</b>	<b>572.9</b>	<b>24.7%</b>	<b>565.5</b>	<b>25.2%</b>	<b>588.0</b>	<b>26.6%</b>

- 1) Leverage requirements according to Article 92.1 d of Regulation (EU) No. 575/2013 on supervisory requirements for credit institutions and investment firms.
- 2) Additional leverage requirements according to ch. 2 1 1 of the Act on special supervision of credit institutions and securities companies (pillar 2 requirements).
- 3) Notification according to ch. 2 1 c of the Act (2014:968) on special supervision of credit institutions and securities companies (pillar 2 guidance).

**Internal assessed capital need**

As per 2022-12-31 the internal assessed capital need, as per the minimum capital requirement according to Pillar 1, additional capital requirement as per the company's internal capital adequacy assessment process to cover for risks within Pillar 2, and the combined buffer requirement, amounted to SEK 355 million, or 13.1% of the risk-weighted exposure amount

**Note 33. Pledged assets, contingent liabilities and commitments**
**Pledged assets**
**The Group / Parent company**

Amounts in SEK million	2022-12-31	2021-12-31
Loans receivable	1,848.2	1,734.2
<b>Total</b>	<b>1,848.2</b>	<b>1,734.2</b>

**The collateral above pertains to liabilities**

Liabilities to credit institutions	–	452.2
<b>Total</b>	<b>–</b>	<b>452.2</b>

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

**Note 34. Disclosures on related parties**

All companies that are part of Qliro AB as well as key persons in a leading position are counted as related parties. During the year, there have been normal business transactions between Qliro and other companies that are part of the group, as well as agreed ongoing remuneration to the CEO, board and other key persons. Pricing for the business is based on market conditions. Regarding salary and other remuneration as well as pensions for key persons in management positions, see note 9 for further information.

Transactions and balances with related parties, SEK million	2022-12-31	2021-12-31
<b>Related parties</b>		
Interest income	–	–
Commission income	–	–
Other operating income	–	–
General administrative expenses	–	–
Other assets	2.6	2.5
<b>Other related parties</b>		
General administrative expenses	–2.5	–2.5
Deposits and borrowings from the public	1.1	2.6

**Note 35. Events after end of period**

The company's long-term incentive program ("LTIP 2023") and short-term incentive program ("STIP 2023") were introduced in 2023 in accordance with the decided conditions for Qkiro AB's extraordinary general meeting on December 31, 2022.

**Note 36. Earnings per share**

The calculation of earnings per share is based on profit/loss attributable to the parent company's shareholders and the weighted average number of shares outstanding. There were no outstanding potential ordinary shares that can trigger a dilution effect during the periods covered by the financial reports. Diluted earnings per share are therefore the same as earnings per share before dilution. 19,072,973 shares have been used in the calculation of earnings per share

The share price as of December 31, 2022 was SEK 13.98.

The Group	2022
Profit for the period attributable to the shareholders of Qliro AB (publ) SEK million	–93,502,307
Earning per share before and after dilution	19,072,973

**Note 37. Proposed appropriation of profits**
**Parent Company**

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

Retained earnings	368,338,386
Share premium reserve	19,214,776
Fair value reserve	–3,863,070
Loss for the year	–93,331,000
<b>Total</b>	<b>290,359,092</b>

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

Carried forward to next year	290,359,092
<b>Total</b>	<b>290,359,095</b>

## The Board's assurance

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

Stockholm 4 April 2023

Patrik Enblad  
Chairman of the Board

Alexander Antas  
Board member

Mikael Kjellman  
Board member

Monica Caneman  
Board member

Lennart Francke  
Board member

Helena Nelson  
Board member

Christoffer Rutgersson  
CEO

Our auditor's report was submitted on 4 April 2023  
KPMG AB

Mårten Asplund  
Authorized Public Accountant

## Auditor's report

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

### REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

#### Opinions

We have audited the annual accounts and consolidated accounts of Qliro AB for the year 2022, except for the corporate governance statement on pages 32-38. The annual accounts and consolidated accounts of the company are included on pages 21-71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 32-38. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

#### Basis for Opinions

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

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

#### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual

accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

#### LENDING AND PROVISIONS FOR CREDIT LOSSES

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

##### Description of key audit matter

Response in the audit Lending in Qliro AB mainly consists of invoices, consumer finance and personal loans. Lending is conducted in Sweden, Finland and Denmark. The company's lending to the public amounted to SEK 2,687 million as of December 31, 2022, which corresponds to 66 percent of the company's total assets. The company's provisions for credit losses in the loan portfolio amount to SEK 144 million.

As of January 1, 2018, the company applies IFRS 9, issued by the IASB in July 2014. Provisions for credit losses in the company's loan portfolio represent the company's best estimate of potential losses in the loan portfolio at the end of the reporting period. The provisions require the company to make estimates and assumptions about credit risks and calculate expected credit losses.

Due to the complexity of these calculations and the estimates and assumptions, we regard this as a key audit matter.

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

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

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

#### VALUATION OF INTANGIBLE ASSETS

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

##### Description of key audit matter

The carrying amount of the company's proprietary and acquired intangible assets amounted to SEK 169 million as of December 31, 2022, which corresponds to approximately 4 percent of total assets.

Intangible assets with an indefinite life are tested annually for impairment. Other intangible assets are tested when there is an indication of impairment.

Impairment tests are complex and entail significant estimates. The estimated recoverable amount for the assets is



based on forecasts and discounted future cash flows, where the estimated discount rate, income forecasts and long-term growth estimates are by definition dependent on projections, which can be influenced by management.

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

Additionally, we have evaluated cash flow projections and the assumptions that served as their basis, which includes the long-term growth rate and uses discount rates.

We have also evaluated the historical accuracy of the forecasts. We have performed sensitivity analyses to evaluate the parameters used in the impairment tests.

Furthermore, we have ensured that the supplemental disclosures meet the requirements of the accounting standards.

### **Other information than the annual accounts and consolidated accounts**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-19 and 76-78. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

### **Responsibilities of the Board of Directors and the Managing Director**

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

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

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

### **Auditor's responsibility**

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

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

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Qliro AB for the year 2022 and the proposed appropriations of the company's profit or loss.

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

#### Basis for Opinions

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

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's

and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

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

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

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

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

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

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

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

## The auditor's examination of the Esef report

### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Qliro AB for year 2022.

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

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

### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Qliro AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director

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

### Auditor's responsibility

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

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

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

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

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

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

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

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 32–38 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Qliro AB by the general meeting of the shareholders on the 17 May 2022. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2014.

Stockholm 4th of April 2023

KPMG AB

Mårten Asplund  
Authorized Public Accountant

## Alternative performance measures

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

Performance measure	Definition	Motivation
Return on equity, %	Net income for the year/period, restated as a full-year value, as a percentage of average equity for two measurement periods (opening and closing balance for the period).	The measure is used it to analyze profitability in relation to equity.
Deposits and funding from the public	The period's closing balance for deposits and funding from the public in the balance sheet.	The purpose is to monitor the level of and growth in the deposit business and to track the scope of external funding that comes from deposits from the public.
Items affecting comparability	Income and expenses that affect comparability over time in a significant way because they do not by nature or size recur with the same regularity as other items.	The company's management separates out items affecting comparability in order to explain variations over time. Separation of the items makes it easier for readers of the financial reports to understand and evaluate what management is doing when certain items, subtotals and totals from the income statement are presented or used in other performance measures.
C/I ratio, %	Total expenses before credit losses as a percentage of the sum of operating income.	The purpose is to provide an indication of the company's cost-effectiveness in relation to the sum of operating income. Also used in benchmark comparisons.
Net credit losses	The period's expected credit losses on items in the balance sheet as well as the period's established credit losses, net.	The purpose is to track the size of and trend in credit risks in lending and to explicitly do so for the size of the forecast-based credit loss amount that reduces net income for the period.
Credit loss level, % in relation to average lending	The period's credit losses, restated as a full-year value, net in relation to average net lending to the public for two measurement periods (opening and closing balance for the period).	The purpose is to provide a measure of credit losses in relation to net lending to the public. The measure is critical to the analysis of credit risk between various periods and versus the competition.
Credit loss level, % in relation to average lending Digital Banking Services	The period's credit losses in Digital banking services, restated as a full-year value, net in relation to average net lending to the public in Digital banking services for two measurement periods (opening and closing balance for the period).	The purpose is to provide a measure of credit losses in relation to net lending to the public. The measure is critical to the analysis of credit risk between various periods and versus the competition.
Credit loss level, % in relation to processed pay-after-delivery (PAD) volume	The period's credit losses for pay-after-delivery (PAD), restated as a full-year value, net in relation to total capitalized volume.	The purpose is to provide a measure of credit losses in relation to processed pay-after-delivery (PAD) volume. The measure is critical to the analysis of credit risk between various periods and versus the competition.
Net income for the period adjusted for items affecting comparability	Net income for the period after tax adjusted for items affecting comparability.	Net income for the period is tracked to monitor the total return, after all expenses and after tax. Adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Net commission income	The sum of commission income less commission expenses.	Net commission income is tracked to monitor development in the part of the core business not related to lending and deposits. Largely reflects the scope and profitability of lending commissions related to payment solutions and other payment services.
Net commission income adjusted for items affecting comparability	The sum of commission income less commission expenses adjusted for items affecting comparability.	Net commission income adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Net interest income	The sum of interest income less interest expenses.	Net interest income is monitored to track the development of the core business related to lending and deposits.
Net interest income adjusted for items affecting comparability	The sum of interest income less interest expenses adjusted for items affecting comparability.	Net interest income adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.
Operating profit	The sum of operating income less administrative expenses, depreciation, amortization and impairment of tangible and intangible assets, other operating expenses and credit losses, net.	Operating profit is monitored to track the profitability of the total business, taking into account credit losses and all other expenses except tax.
Operating profit adjusted for items affecting comparability	The sum of operating income less administrative expenses, depreciation, amortization and impairment, other operating expenses and credit losses adjusted for items affecting comparability.	Operating profit adjusted for items affecting comparability improves opportunities for evaluation and comparison over time.

## Alternative performance measures, cont.

Performance measure	Definition	Motivation
Operating profit less depreciation, amortization and impairment of intangible and tangible assets	The sum of operating profit less depreciation, amortization and impairment of tangible and intangible assets.	The purpose is to evaluate operating activities.
Total expenses before credit losses	The sum of the period's operating expenses, which for the company represents the sum of administrative expenses, depreciation, amortization and impairment of tangible and intangible assets, and other expenses.	The purpose is to monitor the size of central expenses that are not directly related to lending and commissions.
Total operating income	The sum of net interest income, net commission income, net gains and losses on financial transactions, and other operating income.	Total operating income is monitored to track the development of the core business before employee benefits, depreciation and amortization, credit losses and other central expenses. The measure depends primarily on the overall trend in net interest income and net commission income.
Total operating income adjusted for items affecting comparability (accrual of merchant commissions)	The sum of net interest income, net commission income, net gains and losses on financial transactions, and other operating income adjusted for items affecting comparability.	Total operating income adjusted for items affecting comparability provides improved opportunities for evaluation and comparison over time.
Total operating income margin, %	The sum of operating income restated as a full-year value, in relation to average net lending to the public for two measurement periods (opening and closing balance for the period).	The measure is used to analyze value creation and profitability in relation to net lending to the public.
Net lending to the public	Loans receivable less provision for expected credit losses.	Net lending to the public is a central driver of the sum of operating income.

**OPERATIONAL PERFORMANCE MEASURES**

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

**OTHER PERFORMANCE MEASURES**

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

## Annual general meeting 2023

The Annual General Meeting will take place on Wednesday, May 17, 2023.

Further information about the Annual General Meeting will be made available on Qliro's website.

### FINANCIAL CALENDAR

3 May 2023, at 07.30 am	Interim report January–March 2023
17 May 2023, at 09.00 am Stockholm	Annual General Meeting
19 July 2023, at 07.30 am	Interim report January–June 2023
25 October 2023 at 07.30	Interim report January–September 2023

### For more information please contact:

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The financial reports are also published on [qliro.com/en/investor-relations](https://qliro.com/en/investor-relations)

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