

INTERIM REPORT JANUARY-JUNE 2023

THE QUARTER IN BRIEF APRIL-JUNE 2023 (APRIL-JUNE 2022)

- Total operating income increased by 12 percent to SEK 117.7 million (105.4)
- Operating expenses decreased by 21 percent to SEK –82.5 million (–104.1). Adjusted for items affecting comparability, operating expenses decreased by 12 percent to SEK –82.5 million (–93.9)
- Net credit losses decreased by 8 percent to SEK –32.4 million (–35.1)
- Operating profit (EBT) was SEK 2.8 million (–33.9). Adjusted for items affecting comparability, operating profit (EBT) amounted to SEK 2.8 million (–23.6)
- Profit/loss for the period was SEK 0.8 million (–27.4). Profit/loss for the period adjusted for items affecting comparability amounted to SEK 0.8 million (–19.3)
- Earnings per share before and after dilution amounted to SEK 0.04 (–1.52)

THE PERIOD IN BRIEF JANUARY-JUNE 2023 (JANUARY-JUNE 2022)

- Total operating income increased by 9 percent to SEK 231.4 million (211.4)
- Operating expenses decreased by 15 percent to SEK –162.5 million (–190.7). Adjusted for items affecting comparability, operating expenses decreased by 12 percent to SEK –162.5 million (–185.4)
- Net credit losses decreased by 3 percent to SEK –65.0 million (–63.2)
- Operating profit (EBT) was SEK 3.9 million (–42.4). Adjusted for items affecting comparability, operating profit (EBT) amounted to SEK 3.9 million (–37.1)
- Profit/loss for the period was SEK 1.9 million (–34.6). Profit/loss for the period adjusted for items affecting comparability amounted to SEK 1.9 million (–30.4)
- Earnings per share before and after dilution amounted to SEK 0.10 (–1.92)

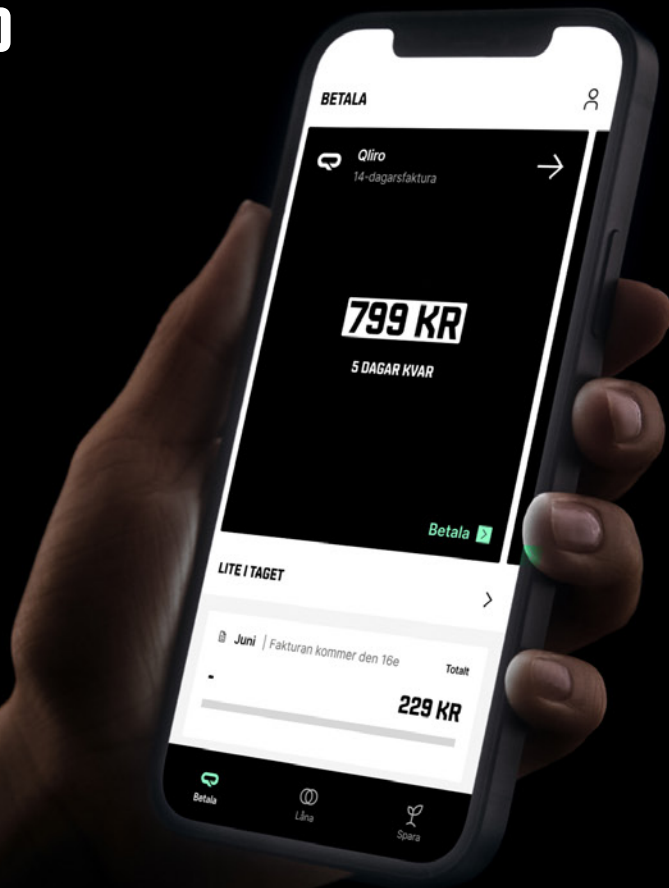
SIGNIFICANT EVENTS IN THE SECOND QUARTER 2023

- Qliro signed an SME agreement with Syster P relating to Payment Solutions
- Qliro deepened its partnership with payment solutions provider Trustly
- Qliro's largest shareholder proposed an issue of warrants to a number of board members
For this reason, Qliro's Board has convened an Extraordinary General Meeting on July 19, 2023
- The Patent and Market Court announced its judgment in the case The Swedish Consumer Agency – Qliro

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Qliro signed an enterprise agreement with Proteinbolaget relating to Payment Solutions

“THE TREND FOR INCOME AND PROFITABILITY REMAINED POSITIVE IN THE SECOND QUARTER OF THE YEAR.”



+12%

Income growth¹⁾

+13%

Income growth, Payment Solutions¹⁾

2,799 M

Total Payment Volume³⁾

-2%

Total Payment Volume growth¹⁾

5.6M

Number of active customers²⁾

-2%

Lending growth¹⁾

1) Refers to the second quarter 2023 in comparison with the second quarter 2022

2) Refers to unique consumers that have used Qliro's checkout through the company's merchants in the last 12 months

3) The total payment volume processed in Qliro's checkout, including VAT for direct payments and Qliro's payment products



QLIRO PROFITABLE IN FIRST HALF-YEAR 2023

We delivered positive growth and sustained profitability in the second quarter. The completed profitability program, digitalization, an improved offering, and deepened and new partnerships have ensured our success.

The trend for income and profitability remained positive in the second quarter of the year. Income increased by 12 percent, mainly driven by the Payment Solutions business segment where BNPL and Pay Now volumes both continue to increase, offsetting lower invoiced volumes.

Operating profit (EBT) improved by SEK 36.7 million to SEK 2.8 million (–33.9). Adjusted for items affecting comparability, operating profit (EBT) increased by SEK 26.4 million to SEK 2.8 million (–23.6). The positive progress is a result of increased income in combination with digitalization and completed efficiency initiatives.

PROGRESS IN THE STRATEGY TRANSFORMATION

Investments in digitalizing several functions over the past year have allowed us to run operations more efficiently while, as previously communicated, extensive cost reductions were already planned for this year. When summing up the first half-year, we can conclude that the outcome has been successful. In parallel, we are also starting to see the results of our focus on increased investments in sales and product development in Payment Solutions, and we were able to introduce a number of improvements to our offering to e-merchants in June. In addition, we have taken important steps in line with our strategic plan for expansion and increased capitalization on higher sales volumes in Pay Now, including through the launch of our Collecting PSP service.

PAYMENT SOLUTIONS

The Swedish Trade Federation's e-commerce indicator forecasts continued weak progress for e-commerce in Sweden, declining 2 percent in April and 12 percent in May. However, Qliro's total sales volumes only decreased by 2 percent in the quarter compared to the corresponding period of the

previous year, indicating that we continued to win market share on a weaker market in the second quarter.

In Q2, we successfully introduced card payments as part of our Collecting Payment Service Provider service. In addition to Qliro handling the financial flows associated with card payments and related processes, the service enables merchants to enter into an agreement with a single party – Qliro – rather than signing separate agreements with different payment service providers, as was previously the case. The reduced dependence on different suppliers ensures a seamless experience, less administration, simpler reporting and a faster onboarding process for merchants. In the near future, we plan to include additional popular payment methods within the framework of Collecting PSP, including Trustly, which offers bank payments. This is one of several concrete results coming out of the previously announced deepened partnership.

In the first half-year, we also introduced new functions for improved conversion in our checkout for e-merchants, such as pre-scoring (smart routing of payment methods by individual), optimized card payments, and the option to save bank account details at the checkout using Trustly Express. Continuously adding new payment methods and implementing measures aimed at increasing conversion rates increases our competitiveness on an ongoing basis. Our e-commerce platforms Vendre and Easify were launched in the quarter, as well as an option for automated accounting in Fortnox through our partner AutomatiseraMera.

NEW MERCHANTS AND ONGOING DIALOGUES

In the quarter, we also welcomed several well-known SME customers such as Syster P, Snoot and FiveSeasons. As of June 30, there were 65 connected e-merchants, an

increase of 4 new merchants on the previous quarter. After the end of the quarter, we also signed a new enterprise agreement with Proteinbolaget AB. Our ambition remains to offer the market’s best experience for e-merchants and their customers. The aim is to not just to increase conversion for e-merchants, but also to provide a customer experience that creates loyalty and increases the share of returning customers.

The last couple of month has been characterized by intensive dialog with existing and new customers, with the aim of strengthening the business. This culminated in our e-com event, Growth & Profitability 2023 on June 8th at Moderna Muséet, Stockholm together with the podcast Framtidens E-handel and nearly 200 guests, including both partners and and customers.

DIGITAL BANKING SERVICES

In Digital Banking Services, both total income and the income margin increased, while lending decreased to SEK 829 million (956). Net interest income increased by 4 percent to SEK 18.9 million (18.3) as a result of decreased lending to the public in the quarter, at the same time as the average interest rate increased. In relation to the loan portfolio, credit losses remained at similar levels to Q4 2022 and Q1 2023, even if the figure increased in year-on-year terms.

OUTLOOK

We are now leaving another eventful quarter behind, where we have taken major steps in our transformation towards offering the market’s best payment experience. The launch of our Collecting PSP service provides an important piece of the puzzle that significantly improves our ability to capitalize on growing Pay Now volumes and offers a market-leading total solution for e-merchants. With an improved offering, increased efficiency, faster product development and a solid pipeline of new potential customers, we are exiting the first half year strengthened, and reiterate our previously communicated goal of returning profitability for the full year 2023.

Stockholm, July 19, 2023

Christoffer Rutgersson
CEO Qliro AB



QLIRO IN BRIEF

Qliro is a fintech company offering online payment solutions. The offering comprises a complete checkout solution optimized for high conversion, flexible design and increased sales, aimed at SMEs and large (enterprise) e-merchants. Qliro provides all relevant payment methods and follows the e-merchants on their international expansion journey. Qliro focuses primarily on e-merchants based in the Nordic region where Qliro also offers its own payment methods to consumers: invoicing, part payment and direct payment. Qliro also offers other digital financial services to individuals in Sweden, such as savings accounts and personal loans.

The operations are divided into two business segments: Payment Solutions and Digital Banking Services.

Qliro's income primarily comprises interest income from Pay Later products and personal loans as well as fees charged when customers choose Qliro's payment methods, where payment is made after the customer has received their merchandise.

Qliro is a credit market company under the supervision of the Swedish Financial Supervisory Authority. The company's shares are listed on Nasdaq Stockholm under the ticker "QLIRO." Qliro's registered office is located in Stockholm, Sweden.

QLIRO'S BUSINESS SEGMENTS IN BRIEF

PAYMENT SOLUTIONS

Payment Solutions are offered to large, small and medium-sized e-merchants in the Nordics. The payment solutions include Qliro's Pay Later and Pay Now products for consumers when they buy goods and services online. The offering included in Pay Later comprises invoices, buy-now-pay-later products and various types of part payments. Qliro's payment solution Pay Now also includes other payment methods offered through partnerships, such as card payments, direct payments from bank accounts or via Vipps, Mobilpay and Swish, and PayPal payments. Qliro's checkout is available in more than 30 countries.

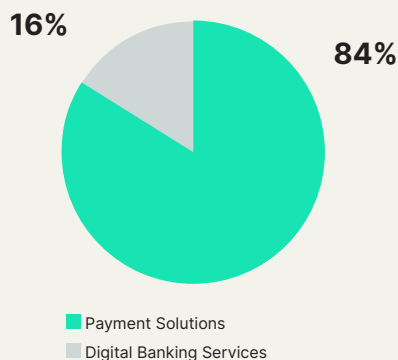
The number of unique consumers that used Qliro's checkout through the company's merchants in the last 12 months was 5.6 million.

Qliro's income is mainly generated through interest and fees associated with Pay Later products. The average credit is low and the maturity is short.

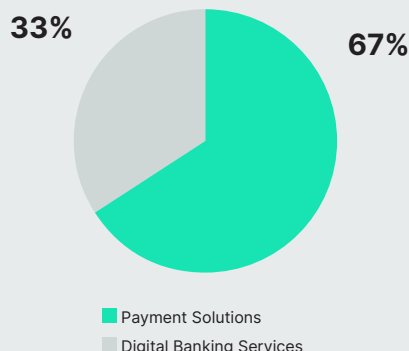
DIGITAL BANKING SERVICES

Digital Banking Services comprise the services offered on Qliro's digital platforms in addition to the payment products from Payment Solutions. Qliro's large database of active consumers represents a competitive advantage that enables Qliro to offer other attractive products, such as personal loans and savings accounts, at low cost.

SHARE OF TOTAL INCOME



SHARE OF LENDING TO THE PUBLIC



KEY PERFORMANCE MEASURES

SEK million unless otherwise stated	2023 Apr–Jun	2022 Apr–Jun	% Δ	2023 Jan–Jun	2022 Jan–Jun	% Δ	2022 Jan–Dec
Income statement							
Total operating income ¹⁾	117.7	105.4	12%	231.4	211.4	9%	428.9
Total operating income adjusted for items affecting comparability ¹⁾	117.7	105.4	12%	231.4	211.4	9%	428.9
Total expenses before credit losses	-82.5	-104.1	-21%	-162.5	-190.7	-15%	-410.3
of which depreciation	-17.6	-25.9	-32%	-35.5	-50.3	-29%	-105.6
Total expenses before credit losses adjusted for items affecting comparability	-82.5	-93.9	-12%	-162.5	-185.4	-12%	-374.4
Net credit losses	-32.4	-35.1	-8%	-65.0	-63.2	3%	-134.1
Operating profit/loss ¹⁾	2.8	-33.9	n/a	3.9	-42.4	n/a	-115.5
Operating profit/loss adjusted for items affecting comparability ¹⁾	2.8	-23.6	n/a	3.9	-37.1	n/a	-79.6
Profit/loss for the period	0.8	-27.4	n/a	1.9	-34.6	n/a	-93.5
Profit/loss for the period adjusted							
for items affecting comparability	0.8	-19.3	n/a	1.9	-30.4	n/a	-65.0
Earnings per share before and after dilution, SEK	0.04	-1.52	n/a	0.10	-1.92	n/a	0.06
Balance sheet							
Lending to the public ¹⁾	2,475	2,534	-2%	2,475	2,534	-2%	2,687
of which Payment Solutions	1,647	1,578	4%	1,647	1,578	4%	1,807
of which Digital Banking Services	829	956	-13%	829	956	-13%	879
Deposits and borrowings from the public	2,772	2,661	4%	2,772	2,661	4%	3,320
Key performance measure							
Payments Take Rate (% Total income in relation to total payment volume) ⁵⁾	3.5%	3.0%	16%	3.5%	3.1%	14%	2.7%
Total operating margin, % ¹⁾	19.0%	16.5%	15%	17.9%	16.0%	12%	15.8%
Credit loss level, (%) ¹⁾	5.2%	5.5%	-5%	5.0%	4.8%	6%	4.9%
Cost/income ratio % ¹⁾	70.1%	98.8%	-29%	70.2%	90.2%	-22%	95.7%
Return on equity (%) ¹⁾	0.7%	neg.	-	0.8%	neg.	-	neg.
CET 1 capital ratio, % ³⁾	13.8%	17.0%	-19%	13.8%	17.0%	-19%	13.2%
Total capital Ratio, % ³⁾	18.1%	21.3%	-15%	18.1%	21.3%	-15%	17.1%
Liquidity coverage ratio (LCR), % ³⁾	228%	365%	-38%	228%	365%	-38%	239%
Payment volume ⁵⁾	2,799	2,871	-2%	5,535	5,653	-2%	12,051
of which Pay Now volume ⁵⁾	1,351	1,275	6%	2,677	2,505	7%	5,470
of which Pay Later volume ^{2,4)}	1,448	1,596	-9%	2,858	3,148	-9%	6,581
BNPL volume	563	540	4%	1,112	1,049	6%	2,354
Invoice volume	885	1,056	-16%	1,746	2,099	-17%	4,227
Pay Now transactions ⁵⁾	1,954	1,819	7%	3,947	3,642	8%	7,946
Pay Later transactions	1,438	1,605	-10%	2,918	3,262	-11%	6,841
Average order value ⁵⁾	825	838	-2%	806	819	-2%	815
Average order value, Pay Now ⁵⁾	691	701	-1%	678	688	-1%	688
Average order value, Pay Later ⁵⁾	1,007	994	1%	979	965	1%	962
Number of connected merchants ²⁾	65	52	25%	65	52	25%	58

1) Alternative performance measures used by management and analysts to evaluate the company's progress, which are not specified or defined in IFRS or other applicable regulations. For definition and reconciliation tables see pages 27–30

2) Operating performance measures. For definitions see page 28

3) Other key performance measures. For definitions see page 28

4) Pay Later volume was called Pay after delivery volume in previous reports

5) New KPIs Q1 2023

FINANCIAL PERFORMANCE

THE SECOND QUARTER 2023 COMPARED WITH THE SECOND QUARTER 2022

ITEMS AFFECTING COMPARABILITY

No items affecting comparability were reported for the second quarter of 2023. Items affecting comparability totaling SEK 10.2 million with a negative effect on the company's profit were recognized in the second quarter 2022. The expenses relate to the previously announced profitability program and comprise SEK 2.6 million in accelerated amortization of earlier technology investments and SEK 3 million primarily related to consulting expenses. Further items affecting comparability include severance pay to a former member of management of SEK 2.1 million, and a provision of SEK 2.5 million for legal expenses for a concluded dispute with The Consumer Ombudsman in the Patent and Market Court.

TOTAL OPERATING INCOME

Total operating Income increased by 12 percent to SEK 117.7 million (105.4), primarily driven by increased Pay Now and BNPL volumes in Payment Solutions.

Net interest income increased by 18 percent to SEK 68.1 million (57.8), where interest income amounted to SEK 91.3 million (68.2) and interest expenses amounted to SEK –23.2 million (–10.5). Interest income rose due to increased lending within Payment Solutions.

Net commission income grew by 3 percent to SEK 49.6 million (48.3), with increased interest in Qliro's products in Payment Solutions contributing to this growth during the quarter.

Net gains and losses on financial items amounted to SEK –0.2 million (–0.9).

OPERATING EXPENSES

Operating expenses amounted to SEK –82.5 million (–104.1). Adjusted for items affecting comparability, operating expenses decreased to SEK –82.5 million (–93.9).

General administrative expenses, comprising consultancy and IT expenses, decreased to SEK –57.9 million (–71.6), mainly due to lower consultancy costs. Other expenses amounted to SEK –7.0 million (–6.7), as a result of increased sales and marketing activities in e-commerce.

Depreciation, amortization and impairment fell by 32 percent to SEK –17.6 million (–25.9) and primarily related to amortization of previously capitalized development expenses for e-merchant payment solutions, as well as consumer products, website and app solutions.

CREDIT LOSSES

Total net credit losses decreased by 8 percent to SEK –32.4 million (–35.1), and the credit loss ratio was 5.2 percent (5.5) of average lending. Recognized credit losses in absolute terms decreased in Payment Solutions, partly due to lower total sales volume. Credit losses in Digital Banking Services increased as a result of reduced inflow of new loan volumes in combination with impairments and increased provisions in accordance with IFRS 9 as a result of increased macroeconomic uncertainty.

PROFIT/LOSS FOR THE PERIOD

Operating profit (EBT) improved to SEK 2.8 million (–33.9). Adjusted for items affecting comparability, operating profit (EBT) increased to SEK 2.8 million (–93.9).

The progress was due to increased income, lower fixed expenses, and depreciation and amortization.

Profit/loss for the period improved to SEK 0.8 million (–27.4). Profit for the period adjusted for items affecting comparability amounted to SEK 0.8 million (–19.3).

FINANCIAL PERFORMANCE

THE PERIOD JANUARY–JUNE 2023 COMPARED TO THE CORRESPONDING PERIOD 2022

ITEMS AFFECTING COMPARABILITY

No items affecting comparability were reported in the period January–June 2023. Items affecting comparability totaling SEK 10.2 million were recognized in the second quarter 2022, which had a negative effect on the company's profit. The expenses relate to the previously announced profitability program and comprise SEK 2.6 million in accelerated amortization of earlier technology investments and SEK 3 million primarily related to consulting expenses. Further items affecting comparability include severance pay to a former member of management or SEK 2.1 million, and a provision of SEK 2.5 million for legal expenses associated with a concluded dispute with The Consumer Ombudsman in the Patent and Market Court.

TOTAL OPERATING INCOME

In the first half-year, total operating income increased by 9 percent to SEK 231.4 million (211.4). This increase was primarily driven by increased BNPL and Pay Now volumes in Payment Solutions.

Net interest income increased by 14 percent to SEK 131.8 million (116.1), where interest income rose to SEK 174.0 million (136.5) and interest expenses to SEK –42.3 million (–20.5). Interest income rose due to increased lending in Payment Solutions compared to the corresponding period in the previous year.

Net commission income grew by 5 percent to SEK 101.1 million (96.6), increased interest in Qliro's products in Payment Solutions contributed to the growth in the period.

Net gains and losses on financial transactions amounted to SEK –1.6 million (–1.4).

OPERATING EXPENSES

Operating expenses decreased to SEK –162.5 million (–190.7). Adjusted for items affecting comparability, operating expenses decreased to SEK –162.5 million (–185.4). General administrative expenses, comprising consultancy and IT expenses, decreased to –114.5 million (–132.3), mainly due to lower consultancy costs.

Other expenses amounted to SEK –12.5 million (–8.0). The increase compared to the corresponding period in the previous year was due to increased sales and marketing activities in e-commerce and the recognition of a non-recurring sales tax in Norway in the period in the corresponding quarter.

Depreciation, amortization and impairment decreased to SEK –35,5 million (–50,3) and primarily related to amortization of previously capitalized payment solutions for e-merchants, as well as consumer products, website and app solutions.

CREDIT LOSSES

Total credit losses decreased by 3 percent to SEK –65.0 million (–63.2), and the credit loss ratio was 5.0 percent (4.8) of average lending. Recognized credit losses in absolute terms decreased in Payment Solutions, partly due to lower sales volumes. Credit losses in Digital Banking Services increased due to impairments and decreased sales, combined with increased provisions in accordance with IFRS 9 as a result of growing macroeconomic uncertainty.

PROFIT/LOSS FOR THE PERIOD

Operating profit (EBT) improved to SEK 3.9 million (–42.4). Adjusted for items affecting comparability, operating profit increased to SEK 3.9 million (–37.1). The progress was due to lower fixed costs, depreciation and amortization, and increased total operating income.

Profit/loss for the period was SEK 1.9 million (–34.6) Profit/loss for the period adjusted for items affecting comparability amounted to SEK 1.9 million (–30.4).

BUSINESS SEGMENT

PAYMENT SOLUTIONS

Comparisons with the second quarter 2022 unless otherwise indicated.

ABOUT THE BUSINESS AREA

Qliro offers digital payment solutions to e-merchants in the Nordics. Qliro’s checkout is provided both for web and app use, and includes relevant payment methods for direct payments through Pay Now as well as Qliro’s own payment methods through Pay Later functionality. Income is mainly generated by offering deferred payment for online purchases (Pay Later), e.g. via invoice, “buy now pay in x months”, and various forms of partial payments. When new merchants join the platform, Qliro’s payment volumes increase, which gradually drives growth in the loan portfolio and generates income over time.

Qliro’s payment solution includes all relevant payment methods for direct payments, referred to as Pay Now. Other payment methods offered in Pay Now include card payments, direct bank payment, mobile payment through Vipps, Mobilpay and Swish, and payment via Paypal and iDeal.

Qliro has already obtained PCI-DSS approval, which has allowed the company to become a Collecting Payment Service Provider. In the second quarter, Qliro successfully tested and launched its new PSP service for card payments, and the company plans to include more payment methods on an ongoing basis. The service packages the payment methods included in Pay Now so that they can be offered directly to

merchants with Qliro as the only counterparty (for agreements, payments, pricing etc.). The PSP service allows the company to capitalize on growing volumes in Pay Now by providing different proprietary payment methods that were previously only available via partners. The approval is also a key step towards enabling growth in the SME segment, where e-merchants are increasingly requiring packaged solutions.

At the end of the second quarter there were 65 (52) connected merchants.

STABLE SALES VOLUME ON WEAKER MARKET

The Swedish Trade Federation’s e-commerce indicator shows a continued deteriorating trend for e-commerce in Sweden, declining 2 percent in April and 12 percent in May 2023. However, Qliro’s total sales volumes only decreased by 2 percent in Q2 2023 in year-on-year terms. Progress was primarily driven by increased BNPL volume and lending to members of the public, which had an overall positive effect on Qliro’s profit. Pay Later volumes decreased by 10 percent to SEK 1,448 million as a result of lower invoiced volumes. The loan portfolio grew by 4 percent in the quarter, to SEK 1,647 million.

PAYMENT SOLUTIONS

SEK million unless otherwise stated	2023 Apr–Jun	2022 Apr–Jun	% Δ	2023 Jan–Jun	2022 Jan–Jun	% Δ	2022 Jan–Dec
Net interest income	49.1	39.5	24%	94.4	78.6	20%	164.6
Net commission income	49.5	48.2	3%	100.7	96.3	5%	193.3
Total operating income	98.7	87.0	13%	193.9	173.7	12%	354.5
Net credit losses	25.2	28.8	-13%	50.3	50.6	-1%	107.2
Total operating income less credit losses	73.5	58.2	26%	143.6	123.1	17%	247.4
Lending to the public	1,647	1,578	4%	1,647	1,578	4%	1,807
Payment volume ²⁾	2,799	2,871	-2%	5,535	5,653	-2%	1,251
of which Pay Now volume ²⁾	1,351	1,275	6%	2,677	2,505	7%	5,470
of which Pay Later volume ¹⁾	1,448	1,596	-9%	2,858	3,148	-9%	6,581
BNPL volume	563	540	4%	1,112	1,049	6%	2,354
Invoice volume	885	1,056	-16%	1,746	2,099	-17%	4,227
Payments Take-Rate (% Total operating income in relation to total payment volume) ²⁾	3.5%	3.0%	16%	3.5%	3.1%	14%	2.7%
Credit losses, %, in relation to Pay Later volume ¹⁾	1.7%	1.8%	4%	1.8%	1.6%	-9%	1.6%
Average order value, Pay Now ²⁾	691	701	-1%	678	688	-1%	688
Average order value, Pay Later ^{1,2)}	1,007	994	1%	979	965	1%	962
The number of connected merchants	70	52	35%	70	52	35%	58

1) Pay Later was termed Pay After Delivery (PAD) in previous reports
2) New KPIs Q1 2023

2 799
Payment volume, SEKm

-2%
Total Payment Volume growth

5.6 M
Number of active customers

+13%
Income growth

PAYMENT SOLUTIONS CONT.

INCREASED OPERATING INCOME AND IMPROVED INCOME MARGIN

Total operating income increased by 13 percent to SEK 98.7 million (87.0). The income margin increased to 24.2 percent (22.2). Net interest income increased by 24 percent to SEK 49.1 million (39.5). Increased lending to the public and interest rate adjustments to customers had a positive effect on

net interest income in the quarter. Net commission income increased by 3 percent to SEK 49.5 million (48.2).

Credit losses amounted to SEK 25.2 million (28.8). For Pay Later volumes, credit losses amounted to 1.7 percent (1.8), in line with the trend in the previous quarter and in year-on-year terms.

BUSINESS SEGMENT

DIGITAL BANKING SERVICES

Comparisons with the second quarter 2022 unless otherwise indicated.

DIGITAL OFFERING FOR EXISTING CUSTOMERS

Within Digital Banking Services, Qliro offers personal loans and savings accounts to individuals in Sweden. Qliro’s app makes it easy to manage payments, loans and savings.

INCREASED INCOME MARGIN DESPITE DECLINE IN LENDING

The majority of all borrowers had an existing relationship with Qliro which 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. More than half of Qliro’s personal loan

customers use the loans to consolidate smaller debts with higher interest rates and thereby reduce their interest costs. Lending decreased to SEK 829 million (956). Net interest income increased by 4 percent to SEK 18.9 million (18.3). This was primarily because lending to the public decreased during the quarter at the same time as average interest rates increased. The income margin was 8.5 percent (7.5) in the quarter.

MACROECONOMIC EFFECTS ARE DRIVING CREDIT LOSSES

Credit losses of SEK 7.2 million (6.3) were recognized in the quarter. Credit losses corresponded to 3.4 percent of average lending, in line with the previous quarter.

DIGITAL BANKING SERVICES

SEK million unless otherwise stated	2023 Apr–Jun	2022 Apr–Jun	% Δ	2023 Jan–Jun	2022 Jan–Jun	% Δ	2022 Jan–Dec
Net interest income	18.9	18.3	4%	37.3	37.5	0%	73.9
Total operating income	19.0	18.4	3%	37.5	37.7	–1%	74.4
Net credit losses	7.2	6.3	15%	14.7	12.5	17%	27.0
Total operating income less credit losses	11.8	12.1	–3%	22.8	25.2	–10%	47.4
Lending to the public	829	956	–13%	829	956	–13%	879
Credit loss level,%, in relation to average lending	3.4%	2.6%	–34%	3.4%	2.5%	–39%	5.6%

16%
Share of total operating income

33%
Share of lending to the public

–13%
Lending growth

3%
Income growth

CAPITAL, FUNDING AND LIQUIDITY

QLIRO IS WELL-CAPITALIZED

Qliro AB's own funds (see Note 9 Capital adequacy) decreased to SEK 424 million (SEK 493 million as of June 30, 2022). In addition to Common Equity Tier 1 capital, own funds comprise SEK 100 million in subordinated Tier 2 capital in the form of a subordinated bond issued in 2019.

The risk exposure amount increased slightly to SEK 2,324 million (SEK 2,316 million as of June 30, 2022).

Qliro is well-capitalized and the total capital ratio was 18.2 percent (21.3 percent as of June 30, 2022), compared with the regulatory requirement of 12.4 percent. The Common Equity Tier 1 capital ratio was 13.9 percent (17 as of June 30, 2022), compared with the regulatory requirement of 8.9 percent.

FUNDING PLATFORM

In addition to equity, lending to the public was funded by SEK 2,772 million (SEK 2,661 million as of June 30, 2022) in deposits from the public (savings accounts) in Sweden and Germany.

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 savings accounts to consumers in Sweden and a deposit offering in EUR in Germany in partnership with the open banking platform Raisin.

At the end of the quarter, deposits in Sweden amounted to SEK 2,230 million (SEK 1,993 million as of June 30, 2022) and deposits in Germany amounted to SEK 543 million (SEK 668 million as of June 30, 2022).

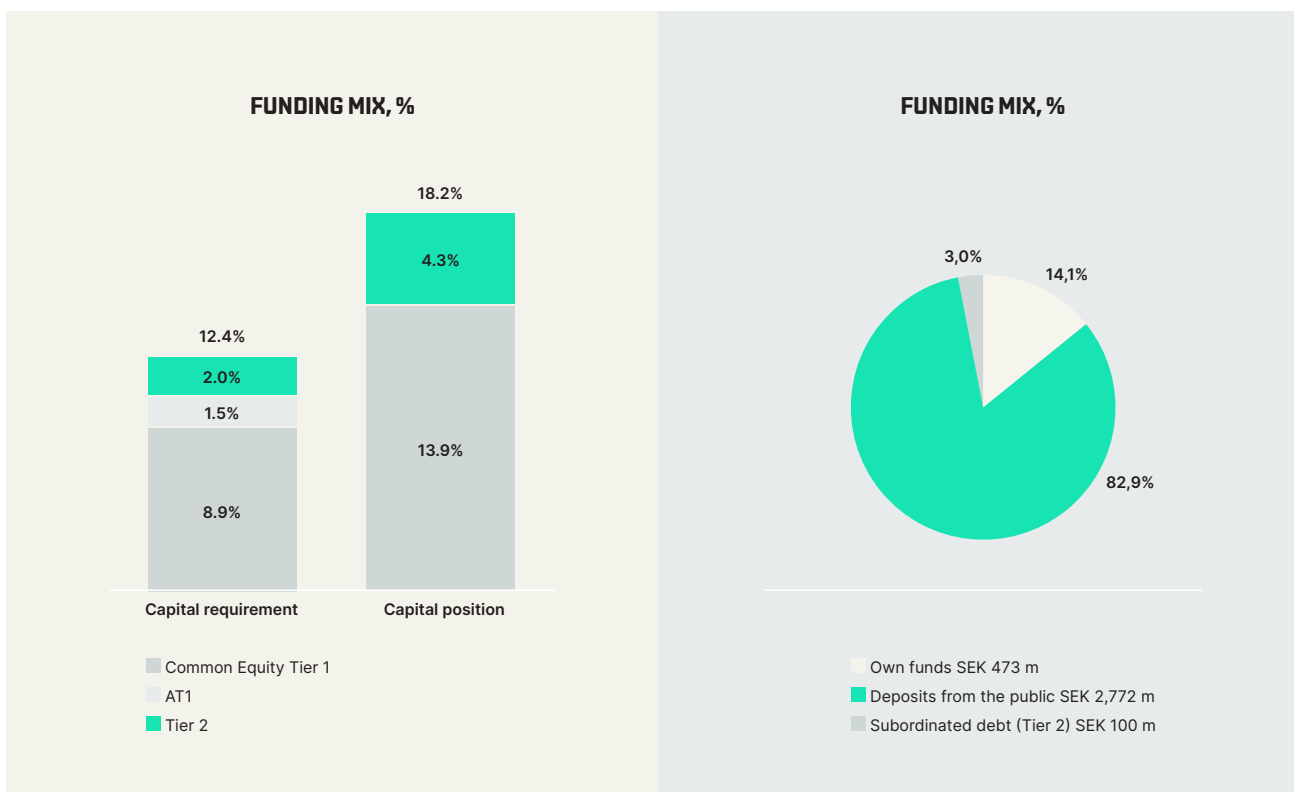
QLIRO HAS SOLID LIQUIDITY

Qliro has solid liquidity and as of June 30, 2023 Qliro's cash and cash equivalents amounted to SEK 685 million (SEK 680 million as of June 30, 2022).

The liquidity portfolio is invested with Nordic banks and other liquid investments such as government bonds, Swedish municipal bonds and municipal CDs with an average credit rating of AA+ and an average term of 100 days.

The Liquidity Coverage Ratio (LCR) as of June 30, 2023 was 228 percent, compared with the legal requirement of 100 percent.

The net stable funding ratio (NSFR) was 131 percent and the leverage ratio was 9.7 percent.



OTHER INFORMATION

OUTLOOK

Qliro AB has previously communicated an ambition to achieve positive operating profit (EBT) for the full year 2023, and has announced the launch of a profitability program. EBT is expected to remain positive for the full year 2023, but may vary over the remaining quarters.

NOTICE CONVENING EXTRAORDINARY GENERAL MEETING IN QLIRO AB

Shareholders in Qliro AB (publ) ("The Company"), corporate ID no. 556962-2441, are hereby invited to an Extraordinary General Meeting on July 9, 2023 at 8.30 a.m. to reach a decision regarding Rite Ventures' proposal to issue warrants. The Extraordinary General Meeting will be held at Wigge & Partners Advokat KB's premises on Birger Jarlsgatan 25, 3rd floor, Stockholm, Sweden. Registration for the EGM starts at 8:00 a.m. CEST. The Board of Directors has decided that the shareholders will also be able to exercise their voting rights by postal voting prior to the AGM in accordance with the Company's Articles of Association. The Notice convening the Extraordinary General Meeting on July 9, 2023 can be found at: <https://www.qliro.com/en-se/investor-relations-2/press-release/?slug=notice-of-extraordinary-general-meeting-in-qliro-ab>

SEASONAL EFFECTS

Qliro's Pay Later volumes have historically fluctuated between quarters. For example, Qliro has experienced higher volumes in the fourth quarter due to Black Friday and Christmas shopping through Qliro's merchants' web stores. Conversely, volumes are normally lower in the first and third quarter compared to the fourth quarter. The seasonally strong volumes in the fourth quarter usually result in increased income at the beginning of the year when invoices, to some extent, are converted to flexible part payments and BNPL campaigns, to some extent, are converted to interest-bearing credits.

QLIRO'S TOP 10 SHAREHOLDERS AS OF JUNE 30, 2023

Proportion of capital

1. Rite Ventures 24.3%
2. Avanza Pension 9.7%
3. Mandatum Life Insurance Company 9.2%
4. Staffan Persson 4.5%
5. Christoffer Rutgersson 3.9 %
6. Nordnet pensionsförsäkring 3.8%
7. Patrik Enblad 3.1%
8. Thomas Krishan 2.9%
9. Peter Lindell 2.4%
10. Mikael Kjellman 1.6%

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

QLIRO'S SHARES AND SHARE CAPITAL

The company's registered share capital as of June 30, 2023 was SEK 53,404,324 distributed over 19,072,973 shares with a quotient value of SEK 2.79999 per share. The share price as of June 30, 2023 was SEK 23.9.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are of the same character as described in the Annual Report for 2022, which was published on April 5, 2023.

JUDGEMENT IN THE PATENT AND MARKET COURT

On May 31, 2023 the Patent and Market Court announced its judgement in the Consumer Ombudsman's ("KO") action against Qliro AB regarding the company's marketing of private loans. The judgement prohibits Qliro, under penalty of a fine, to conduct certain types of marketing, in part departing from KO's claim. In September 2021, Qliro ceased conducting the type of marketing activities affected by the proceedings against the Company. In April 2022, Qliro introduced a new strategy with an increased focus on payment solutions for small and medium-sized merchants, a strategy that is key to Qliro's continued growth. This means that the judgement is not expected to have any impact on the company's operations, financial results or existing growth strategy.

SIGNIFICANT RISKS AND UNCERTAINTIES

Qliro's operations entail daily risks that are measured, controlled and, when necessary, mitigated to protect the company's capital and reputation. The most prominent risks are credit risk, business risk/strategic risk, operational risk, currency risk, interest rate risk and liquidity risk. Qliro's annual report for 2022, published on April 5, 2023, and Qliro's prospectus, dated September 28, 2020, which was released prior to the listing of Qliro's shares for trading on Nasdaq Stockholm, contain a detailed description of the company's risk exposures and risk management.

On October 21, 2021 a judgment was passed by the Patent and Market Court prohibiting Svea Ekonomi AB from charging certain late fees on consumer loans. In April 2023, the Patent and Market Court confirmed the judgment. Svea Ekonomi AB has appealed the ruling to the Supreme Court. If the ruling gains legal force, it could affect the industry as a whole and have a negative effect on Qliro's future income.

Along with rising interest rates and soaring inflation, the Russian invasion of Ukraine contributed to increased 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 took effect at the end of June 2023. Qliro currently has no material exposure to Russia or Ukraine.

The last few years' challenging macroeconomic conditions in the form of higher interest rates, rising inflation and increased energy prices, could have a negative impact on consumer demand and consumers' ability to pay their debts. Qliro cannot currently see any discernible effect on the company's income or underlying credit losses.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK million	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Interest income		91.3	68.2	174.0	136.5
Interest expenses		-23.2	-10.5	-42.3	-20.5
Net interest income	2	68.1	57.8	131.8	116.1
Commission income	3	51.6	50.3	105.1	100.6
Commission expenses	3	-2.0	-2.0	-4.1	-4.0
Net profit/loss from financial transactions		-0.2	-0.9	-1.6	-1.4
Other operating income		0.2	0.2	0.2	0.2
Total operating income		117.7	105.4	231.4	211.4
General administrative expenses		-57.9	-71.6	-114.5	-132.3
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-17.6	-25.9	-35.5	-50.3
Other operating expenses		-7.0	-6.7	-12.5	-8.0
Total expenses before credit losses		-82.5	-104.1	-162.5	-190.7
Profit/loss before credit losses		35.3	1.3	68.9	20.7
Net credit losses	4	-32.4	-35.1	-65.0	-63.2
Operating profit/loss		2.8	-33.9	3.9	-42.4
Income tax expense		-2.0	6.5	-2.0	7.9
Profit/loss for the period		0.8	-27.4	1.9	-34.6
Earnings per share before and after dilution		0.04	-1.52	0.10	-1.92
Average number of shares before and after dilution, thousands		19,073	17,973	19,073	17,973

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Profit/loss for the period		0.8	-27.4	1.9	-34.6
Other comprehensive income					
Items that can be reversed to the income statement					
Financial assets recognized at fair value through other comprehensive income (net of tax)		0.2	-1.8	-0.4	-1.9
Other comprehensive income for the period		0.2	-1.8	-0.4	-1.9
Comprehensive income for the period		1.0	-29.2	1.5	-36.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	06/30/2023	06/30/2022	12/31/2022
Assets				
Lending to credit institutions		477.9	382.5	900.6
Lending to the public	5	2,475.4	2,533.9	2,686.6
Bonds and other fixed-income securities		211.2	300.1	293.6
Intangible assets		184.8	169.3	168.7
Property, plant and equipment		26.3	19.9	13.9
Deferred tax assets		58.3	45.6	60.2
Other assets		60.1	52.4	58.5
Derivatives		–	2.1	1.7
Prepaid expenses and accrued income		19.0	23.2	21.1
Total assets		3,512.8	3,528.9	4,204.9
Liabilities and Equity				
Liabilities				
Liabilities to credit institutions		–	84.6	–
Deposits and borrowing from the public	6	2,772.0	2,661.3	3,320.5
Other liabilities		97.0	100.4	228.6
Derivatives		2.1	0.7	–
Accrued expenses and deferred income		69.4	70.4	85.3
Subordinated liabilities		100.0	100.0	100.0
Total liabilities		3,040.4	3,017.4	3,734.4
Equity				
Share capital		53.4	50.3	53.4
Reserves		–4.2	–2.0	–3.9
Retained profit or loss		421.4	497.8	514.5
Profit/loss for the year		1.9	–34.6	–93.5
Total equity		472.5	511.6	470.5
Total liabilities and equity		3,512.8	3,528.9	4,204.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun
Opening balance	471.4	540.8	470.5	548.1
Profit/loss for the period	0.8	–27.4	1.9	–34.6
Other comprehensive income for the period	0.2	–1.8	–0.4	–1.9
Warrants	0.0	–	0.4	–
Closing balance	472.5	511.6	472.5	511.6

CONSOLIDATED CASH FLOW STATEMENT

SEK million	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Operating activities				
Operating profit/loss	2.8	-33.9	3.9	-42.4
Adjustments	35.5	59.4	78.5	140.3
Changes in the assets and liabilities of operating activities	119.5	248.3	-453.6	274.1
Cash flow from operating activities	157.7	273.9	-371.2	372.0
Investing activities				
Acquisition of property, plant and equipment	-0.3	-1.0	-0.8	-1.5
Acquisition of intangible assets	-25.7	-21.0	-47.1	-41.4
Cash flow from investing activities	-26.0	-22.0	-47.9	-42.9
Financing activities				
Amortization lease	-2.3	-2.0	-2.8	-4.1
Warrants	-	-	0.4	-
Cash flow from financing activities	-2.3	-2.0	-2.4	-4.1
Cash flow for the period	129.4	249.8	-421.5	325.1
Cash and cash equivalents at the beginning of the period	349.9	132.7	900.6	57.5
Exchange rate differences in cash and cash equivalents	-1.1	-	-1.2	-
Cash flow for the period	129.4	249.8	-421.5	325.1
Cash and cash equivalents at the end of the period	478.3	382.5	477.9	382.5

PARENT COMPANY INCOME STATEMENT

SEK million	Note	2023 April-Jun	2022 April-Jun	2023 Jan-Jun	2022 Jan-Jun
Interest income		91.3	68.2	174.0	136.5
Interest expenses		-23.1	-10.4	-42.1	-20.4
Net interest income	2	68.2	57.8	132.0	116.1
Commission income	3	51.6	50.3	105.1	100.6
Commission expenses	3	-2.0	-2.0	-4.1	-4.0
Net profit/loss from financial transactions		-0.2	-0.9	-1.6	-1.4
Other operating income		0.2	0.2	0.2	0.2
Total operating income		117.8	105.4	231.6	211.5
General administrative expenses		-59.3	-73.6	-117.3	-136.4
Depreciation/amortization and impairment of property, plant and equipment and intangible assets		-16.3	-23.8	-32.8	-46.2
Other operating expenses		-7.0	-6.7	-12.5	-8.0
Total expenses before credit losses		-82.5	-104.1	-162.6	-190.6
Profit/loss before credit losses		35.3	1.3	69.0	20.9
Net credit losses	4	-32.4	-35.1	-65.0	-63.2
Operating profit/loss		2.9	-33.8	4.0	-42.3
Income tax expense		-2.0	6.5	-2.0	7.9
Profit/loss for the period		0.9	-27.3	2.0	-34.4
Earnings per share before and after dilution		0.05	-1.52	0.11	-1.92

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Profit/loss for the period		0.9	-27.3	2.0	-34.4
Other comprehensive income					
Items that can be reversed to the income statement					
Financial assets recognized at fair value through other comprehensive income (net of tax)		0.2	-1.8	-0.4	-1.9
Other comprehensive income for the period		0.2	-1.8	-0.4	-1.9
Comprehensive income for the period		1.0	-29.1	1.6	-36.4

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

SEK million	Note	06/30/2023	06/30/2022	12/31/2022
Assets				
Lending to credit institutions		474.9	379.9	898.1
Lending to the public	5	2,475.4	2,533.9	2,686.6
Bonds and other fixed-income securities		211.2	300.1	293.6
Shares and units		0.1	0.1	0.1
Intangible assets		184.8	169.3	168.7
Property, plant and equipment		6.9	9.8	7.9
Deferred tax assets		58.3	45.6	60.2
Other assets		63.0	55.0	61.0
Derivatives		–	2.1	1.7
Prepaid expenses and accrued income		20.4	23.2	21.1
Total assets		3,494.9	3,518.8	4,198.9
Liabilities and equity				
Liabilities				
Liabilities to credit institutions		–	84.6	–
Deposits and borrowing from the public	6	2,772.0	2,661.3	3,320.5
Other liabilities		78.1	89.5	221.8
Derivatives		2.1	0.7	–
Accrued expenses and deferred income		69.4	70.4	85.3
Subordinated liabilities		100.0	100.0	100.0
Total liabilities		3,021.6	3,006.5	3,727.6
Equity				
Restricted equity				
Share capital		53.4	50.3	53.4
Reserve for development costs		144.8	126.5	127.5
Total restricted equity		198.2	176.8	180.9
Non-restricted equity				
Reserves		–4.2	–2.0	–3.9
Share premium reserve		19.6	2.5	19.2
Retained profit or loss		257.8	369.4	368.3
Profit/loss for the year		2.0	–34.4	–93.3
Total non-restricted equity		275.1	335.5	290.4
Total equity		473.3	512.3	471.3
Total liabilities and equity		3,494.9	3,518.8	4,198.9

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Opening balance	472.3	541.4	471.3	548.7
Profit/loss for the period	0.9	-27.3	2.0	-34.4
Other comprehensive income for the period	0.2	-1.8	-0.4	-1.9
Warrants	-	-	0.4	-
New issue of shares	-	-	-	-
Closing balance	473.3	512.3	473.3	512.3

PARENT COMPANY CASH FLOW STATEMENT

SEK million	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Operating activities				
Operating profit/loss	2.9	-33.8	4.0	-42.3
Adjustments	33.1	57.3	75.7	136.1
Changes in the assets and liabilities of operating activities	119.1	248.3	-454.0	274.1
Cash flow from operating activities	155.0	271.8	-374.4	367.9
Investing activities				
Acquisition of property, plant and equipment	-0.3	-1.0	-0.8	-1.5
Acquisition of intangible assets	-25.7	-21.0	-47.1	-41.4
Cash flow from investing activities	-26.0	-22.0	-47.9	-42.9
Financing activities				
New issue of shares	-	-	-	-
Warrants	-	-	0.4	-
Cash flow from financing activities	-	-	0.4	-
Cash flow for the period	129.0	249.8	-421.9	325.1
Cash and cash equivalents at the beginning of the period	347.0	130.1	898.1	54.9
Exchange rate differences in cash and cash equivalents	-1.1	-	-1.2	-
Cash flow for the period	129.0	249.8	-421.9	325.1
Cash and cash equivalents at the end of the period	474.9	379.9	474.9	379.9

NOTES

Note 1. Accounting policies

The Interim Report for Qliro AB covers the period January 1 to June 30, 2023. Qliro's registered office is in Stockholm and the corporate ID no. is 556962-2441.

The Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretive statements on these standards as approved for application within the EU. Supplementary information ensuing from the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), as well as the Swedish Financial Supervisory Authority's regulations and general advice on annual accounts for credit institutions and securities companies (FFFS 2008:25), have been applied.

RFR 1 Complementary Accounting Rules for Groups and the statement from the Swedish Financial Reporting Board have also been applied in the Consolidated Accounts.

The Parent Company has prepared the Interim Report in accordance

with ÅRKL and the Swedish Financial Supervisory Authority'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 by the Swedish Financial Reporting Board. In accordance with the Swedish Financial Supervisory Authority's general advice, the Parent Company has applied international financial reporting standards as approved by the EU in the preparation of the financial reports.

Qliro's Interim Report has been prepared in accordance with the accounting policies and calculation methods applied in the Annual Report for 2022.

As of December 31, 2019, Qliro AB acquired the subsidiary Qliro Incitement AB, thereby forming a Group. The difference between the Parent Company and the Group is that IFRS 16 Leases has been applied in the Consolidated Accounts.

Note 2. Net interest income

SEK million	Group			
	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun
Interest income				
Lending to credit institutions	2.3	–	4.7	–
Lending to the public	86.7	67.7	165.4	135.9
Interest-bearing securities etc.	2.3	0.5	4.0	0.6
Total interest income	91.3	68.2	174.0	136.5
Interest expenses				
Liabilities to credit institutions	–2.1	–3.4	–4.3	–7.1
Deposits and borrowings from the public	–18.5	–5.0	–33.0	–9.3
Interest-bearing government securities etc.	–	–0.3	0.1	–0.5
Subordinated liabilities	–2.6	–1.7	–4.8	–3.4
Lease liabilities	–0.1	–	–0.2	–0.1
Total interest expenses	–23.2	–10.5	–42.3	–20.5
Net interest income	68.1	57.8	131.8	116.1

SEK million	Parent Company			
	2023 Apr–Jun	2022 Apr–Jun	2023 Jan–Jun	2022 Jan–Jun
Interest income				
Lending to credit institutions	2.3	–	4.7	–
Lending to the public	86.7	67.7	165.4	135.9
Interest-bearing securities etc.	2.3	0.5	4.0	0.6
Total interest income	91.3	68.2	174.0	136.5
Interest expenses				
Liabilities to credit institutions	–2.1	–3.4	–4.3	–7.1
Deposits and borrowings from the public	–18.5	–5.0	–33.0	–9.3
Interest-bearing government securities etc.	–	–0.3	0.1	–0.5
Subordinated liabilities	–2.6	–1.7	–4.8	–3.4
Total interest expenses	–23.1	–10.4	–42.1	–20.4
Net interest income	68.2	57.8	132.0	116.1

Note 3. Net commission income

SEK million	Group and Parent Company			
	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Commission income				
Lending commissions	39.0	40.4	82.1	80.2
Other commission income	12.6	9.9	23.1	20.4
Total commission income	51.6	50.3	105.1	100.6
Commission expenses				
Other commission expenses	-2.0	-2.0	-4.1	-4.0
Total commission expenses	-2.0	-2.0	-4.1	-4.0
Net commission income	49.6	48.3	101.0	96.6

Note 4. Net credit losses

SEK million	Group and Parent Company			
	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Expected credit losses on Balance Sheet items				
Net loss provision for the period, Stage 1	-6.0	-0.9	-5.2	0.3
Net loss provision for the period, Stage 2	5.4	-2.6	5.1	-1.6
Total credit losses, net of non credit-impaired lending	0.5	-3.5	-0.1	-1.3
Net loss provision for the period, Stage 3	-6.8	-1.7	-15.2	-7.3
Realized net credit losses for the period	-25.1	-29.9	-49.7	-54.6
Total credit losses, net of non credit-impaired lending	-31.9	-31.6	-64.9	-61.9
Total net credit losses	-32.4	-35.1	-65.0	-63.2
Loss provisions on loans measured at amortized cost	-159.7	-121.6	-159.7	-121.6

Note 5. Lending to the public

06/30/2023, SEK million	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	2,187.0	258.7	189.5	2,635.1
Provisions for expected credit losses	-23.1	-34.4	-102.3	-159.7
Net lending to the public	2,163.9	224.3	87.2	2,475.4

06/30/2022, SEK million	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	2,067.6	438.8	149.1	2,655.5
Provisions for expected credit losses	-15.8	-36.4	-69.4	-121.6
Net lending to the public	2,051.8	402.4	79.8	2,533.9

12/31/2022, SEK million	Group and Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Loans receivable	2,192.5	470.1	167.8	2,830.4
Provisions for expected credit losses	-17.7	-39.5	-86.6	-143.8
Net lending to the public	2,174.7	430.6	81.3	2,686.6

Loans with modified conditions, where the loan is not derecognized from the Balance Sheet and replaced with new loan, amounted June 30, 2023 to SEK 42.8 million (25.6).

Note 6. Deposits and funding from the public

SEK million	Group and Parent Company		
	06/30/2023	06/30/2022	12/31/2022
Deposits and borrowings from the public	2,772.0	2,661.3	3,320.5
By category			
Individuals	2,772.0	2,661.3	3,320.5
Companies	-	-	-
Total	2,772.0	2,661.3	3,320.5
By currency			
Swedish currency	2,229.5	1,993.4	2,604.0
Foreign currency	542.5	667.9	716.5
Total	2,772.0	2,661.3	3,320.5

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

06/30/2023, SEK million	Group			
	Fair value through other comprehensive income	Fair value through the Income Statement	Amortized cost	Total carrying amount
Assets				
Bonds and other fixed-income securities	211.2	-	-	211.2
Lending to credit institutions	-	-	477.9	477.9
Lending to the public	-	-	2,475.4	2,475.4
Derivatives	-	-	-	-
Other assets	-	-	52.8	52.8
Accrued income	-	-	1.8	1.8
Total financial instruments	211.2	-	3,007.9	3,219.1
Other non-financial instruments	-	-	-	293.8
Total assets				3,512.8
Liabilities				
Deposits and borrowing from the public	-	-	2,772.0	2,772.0
Other liabilities	-	-	90.4	90.4
Derivatives	-	2.1	-	2.1
Accrued expenses	-	-	64.3	64.3
Subordinated liabilities	-	-	100.0	100.0
Total financial instruments	-	2.1	3,026.8	3,028.9
Other non-financial instruments	-	-	-	11.5
Total liabilities				3,040.4

06/30/2022, SEK million	Group			
	Fair value through other comprehensive income	Fair value through the Income Statement	Amortized cost	Total carrying amount
Assets				
Bonds and other fixed-income securities	300.1	-	-	300.1
Lending to credit institutions	-	-	382.5	382.5
Lending to the public	-	-	2,533.9	2,533.9
Derivatives	-	2.1	-	2.1
Other assets	-	-	45.9	45.9
Accrued income	-	-	2.0	2.0
Total financial instruments	300.1	2.1	2,964.3	3,266.5
Other non-financial instruments	-	-	-	262.4
Total assets				3,528.9
Liabilities				
Liabilities to credit institutions	-	-	84.6	84.6
Deposits and borrowing from the public	-	-	2,661.3	2,661.3
Other liabilities	-	-	94.2	94.2
Derivatives	-	0.7	-	0.7
Accrued expenses	-	-	64.8	64.8
Subordinated liabilities	-	-	100.0	100.0
Total financial instruments	-	0.7	3,004.9	3,005.5
Other non-financial instruments	-	-	-	11.8
Total liabilities				3,017.4

Note 7. Financial instruments cont.

Classification of financial instruments

12/31/2022, SEK million	Group			
	Fair value through other comprehensive income	Fair value through the Income Statement	Amortized cost	Total carrying amount
Assets				
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
Derivatives	-	1.7	-	1.7
Other assets	-	-	50.2	50.2
Accrued income	-	-	1.8	1.8
Total financial instruments	293.6	1.7	3,639.3	3,934.6
Other non-financial instruments				270.3
Total assets				4,204.9
Liabilities				
Deposits and borrowing from the public	-	-	3,320.5	3,320.5
Other liabilities	-	-	221.5	221.5
Accrued expenses	-	-	77.8	77.8
Subordinated liabilities	-	-	100.0	100.0
Total financial instruments	-	-	3,719.8	3,719.8
Other non-financial instruments				14.6
Total liabilities				3,734.4

Classification of financial instrument to fair value in the Balance Sheet

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

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

06/30/2023, SEK million	Group			
	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	211.2	-	-	211.2
Total assets	211.2	-	-	211.2
Liabilities				
Derivatives	-	2.1	-	2.1
Total liabilities	-	2.1	-	2.1

06/30/2022, SEK million	Group			
	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	300.1	-	-	300.1
Derivatives	-	2.1	-	2.1
Total assets	300.1	2.1	-	302.1
Liabilities				
Derivatives	-	0.7	-	0.7
Total liabilities	-	0.7	-	0.7

12/31/2022, SEK million	Group			
	Level 1	Level 2	Level 3	Total
Assets				
Bonds and other fixed-income securities	293.6	-	-	293.6
Derivatives	-	1.7	-	1.7
Total assets	293.6	1.7	-	295.3
Liabilities				
Total liabilities	-	-	-	-

Note 8. Operating segments

The CEO of Qliro AB is the company's chief operating decision maker. Management has determined the segments based on the information addressed by the CEO and used for the purposes of allocating resources and evaluating results. The CEO evaluates the results for Payment Solutions and Digital Banking Services. The CEO evaluates segment progress based on operating income less net credit losses. Segment reporting is based on the same principles as the Parent Company's external accounting.

SEK million	Group					
	2023 Apr-Jun			2022 Apr-Jun		
	Payment Solutions	Digital Banking Services	Total	Payment Solutions	Digital Banking Services	Total
Interest income	64.7	26.6	91.3	46.0	22.2	68.2
Interest expenses	-15.6	-7.6	-23.2	-6.5	-3.9	-10.5
Net commission income	49.5	0.1	49.6	48.2	0.1	48.3
Net profit/loss from financial transactions	-0.1	-0.1	-0.2	-0.9	-	-0.9
Other operating income	0.2	-	0.2	0.2	-	0.2
Total operating income	98.7	19.0	117.7	87.0	18.4	105.4
Net credit losses	-25.2	-7.2	-32.4	-28.8	-6.3	-35.1
Total operating income less credit losses	73.5	11.8	85.3	58.2	12.1	70.3

SEK million	Group					
	2023 Jan-Jun			2022 Jan-Jun		
	Payment Solutions	Digital Banking Services	Total	Payment Solutions	Digital Banking Services	Total
Interest income	122.7	51.3	174.0	91.3	45.3	136.5
Interest expenses	-28.3	-14.0	-42.3	-12.7	-7.8	-20.5
Net commission income	100.7	0.2	101.0	96.3	0.2	96.6
Net profit/loss from financial transactions	-1.5	-0.1	-1.6	-1.4	-	-1.4
Other operating income	0.2	-	0.2	0.2	-	0.2
Total operating income	193.9	37.5	231.4	173.7	37.7	211.4
Net credit losses	-50.3	-14.7	-65.0	-50.6	-12.5	-63.2
Total operating income less credit losses	143.6	22.8	166.4	123.1	25.2	148.2

Of lending to the public totaling SEK 2,475 million (SEK 2,534 million as of June 30, 2022, and SEK 2,687 million as of December 31, 2022), SEK 1,647 million (SEK 1,578 million as of June 30, 2022, and SEK 1,807 million as of December 31, 2022) was attributable to Payment Solutions and SEK 829 million (SEK 956 million as of June 30, 2022 and SEK 879 million as of December 31, 2022) to Digital Banking Services.

Commission income by geographical market and segment

SEK million	Group and Parent Company			
	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun
Payment Solutions				
Lending commissions				
Sweden	30.0	32.3	63.1	63.4
Finland	2.5	1.7	4.7	3.6
Denmark	0.9	0.9	2.0	2.0
Norway	5.5	5.4	12.0	10.9
Total	38.9	40.3	81.8	79.9
Other commission income				
Sweden	10.7	9.5	20.9	19.7
Finland	0.4	0.1	0.4	0.2
Denmark	0.3	-	0.3	-
Norway	1.3	0.2	1.5	0.5
Total	12.6	9.9	23.0	20.4
Total commission income, Payment Solutions	51.5	50.2	104.9	100.3
Digital Banking Services				
Lending commissions				
Sweden	0.1	0.1	0.2	0.2
Total commission income, Digital Banking Services	0.1	0.1	0.2	0.2
Total commission income	51.6	50.3	105.1	100.6

Note 9. Capital adequacy analysis

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

Performance measures

Template "EU KM1 – Key metrics template" is disclosed below as stipulated by the Commission's implementing regulation 2021/637.

		06/30/2023	03/31/2023	12/31/2022	09/30/2022	06/30/2022
Available own funds (SEKm)						
1	Common Equity Tier 1 (CET1) capital	323,6	331.9	339.1	377.3	393.4
2	Tier 1 capital	323,6	331.9	339.1	377.3	393.4
3	Total capital	423,6	431.9	439.1	477.3	493.4
Risk-weighted exposure (SEKm)						
4	Total risk-weighted exposure	2,323.8	2,302.1	2,562.8	2,277.1	2,316.4
Capital ratios (as a percentage of risk-weighted exposure)						
5	Common Equity Tier 1 ratio (%)	13,9	14.4	13.2	16.6	17.0
6	Tier 1 ratio (%)	13,9	14.4	13.2	16.6	17.0
7	Total capital ratio (%)	18,2	18.8	17.1	21.0	21.3
Additional own funds requirement to manage other risks than the risk of excessive leverage (as a percentage of risk-weighted exposure)						
EU 7a	Additional own funds requirement to manage risks other than the risk of excessive leverage (%)	0	0	0	0	0
EU 7b	of which: to comprise CET1 capital (%)	0	0	0	0	0
EU 7c	of which: to comprise Tier 1 capital (%)	0	0	0	0	0
EU 7d	Total SREP own funds requirements (%)	8.0	8.0	8.0	8.0	8.0
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure)						
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
9	Institution-specific countercyclical capital buffer (%)	1.9	1.0	1.0	1.0	0.1
EU 9a	Systemic risk buffer (%)	0	0	0	0	0
10	Global Systemically Important Institution buffer (%)	0	0	0	0	0
EU 10a	Other Systemically Important Institution buffer (%)	0	0	0	0	0
11	Combined buffer requirement (%)	4.4	3.5	3.5	3.5	2.6
EU 11a	Overall capital requirements (%)	12.4	11.5	11.5	11.5	10.6
12	CET1 available after meeting total SREP own funds requirement (%)	5.8	6.4	5.2	8.6	9.0
Leverage ratio						
13	Total exposure (SEKm)	3,347.8	3,322.6	4,067.2	3,559.7	3,400.0
14	Leverage ratio (%)	9,7	10.0	8.3	10.6	11.6
Additional own funds requirement to manage risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirement to manage risk of excessive leverage (%)	0	0	0	0	0
EU 14b	of which: to comprise CET1 capital (%)	0	0	0	0	0
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Total SREP leverage ratio requirements (%)	0	0	0	0	0
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA) (weighted value – average, SEKm)	211.2	308.4	293.6	293.9	300.1
16a	Cash outflows – total weighted value (SEKm)	370.6	264.0	492.0	325.8	329.0
16b	Cash inflows – total weighted value (SEKm)	514.2	408.4	934.5	639.4	473.4
16	Total net cash outflows (adjusted value) (SEKm)	92.7	66.0	123.0	81.5	82.2
17	Liquidity coverage ratio (%)	227.9	467.3	238.7	360.9	364.9
Net Stable Funding Ratio						
18	Total available stable funding (SEKm)	3,161.5	3,133.7	3,656.5	3,321.2	3,145.8
19	Total required stable funding (SEKm)	2,419.6	2,383.8	2,831.2	2,552.1	2,507.7
20	NSFR ratio (%)	130,8	131.5	129.1	130.1	125.4

Note 9. Capital adequacy analysis cont.

Statement of total capital requirements and capital base

Risk-weighted capital requirements and capital requirements in relation to gross leverage

	06/30/2023		03/31/2023		12/31/2022		09/30/2022		06/30/2022	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Risk-weighted capital requirements										
Risk-weighted exposure										
Total risk-weighted exposure	2,323.8	-	2,302.1	-	2,562.8	-	2,277.1	-	2,316.4	-
Leverage requirement (Pillar 1 requirement)¹⁾										
Common Equity Tier 1 (CET1) capital	104.6	4.5	103.6	4.5	115.3	4.5	102.5	4.5	104.2	4.5
Tier 1 capital	139.4	6.0	138.1	6.0	153.8	6.0	136.6	6.0	139.0	6.0
Total capital	185.9	8.0	184.2	8.0	205.0	8.0	182.2	8.0	185.3	8.0
Leverage requirement (Pillar 2 requirement)²⁾										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Total Pillar 2 requirement	0	0	0	0	0	0	0	0	0	0
Combined buffer requirement³⁾										
Capital conservation buffer	58.1	2.5	57.6	2.5	64.1	2.5	56.9	2.5	57.9	2.5
Institution-specific countercyclical capital buffer	44.7	1.9	23.9	1.0	26.8	1.0	22.6	1.0	2.2	0.1
Combined buffer requirement	102.8	4.4	81.4	3.5	90.9	3.5	79.6	3.5	60.1	2.6
Notification (Pillar 2-guidance)⁴⁾										
Common Equity Tier 1 (CET1) capital	0	0	0	0	0	0	0	0	0	0
Tier 1 capital	0	0	0	0	0	0	0	0	0	0
Total Pillar 2 guidance	0	0	0	0	0	0	0	0	0	0
Overall leverage requirement										
Common Equity Tier 1 (CET1) capital	207.3	8.9	185.0	8.0	206.2	8.0	182.0	8.0	164.4	7.1
Tier 1 capital	242.2	10.4	219.6	9.5	244.7	9.5	216.2	9.5	199.1	8.6
Total appropriate capital base	288.7	12.4	265.6	11.5	295.9	11.5	261.7	11.5	245.4	10.6
Available own funds (capital base)										
Common Equity Tier 1 (CET1) capital	323,6	13,9	331,9	14,4	339,1	13,2	377,3	16,6	393,4	17,0
Tier 1 capital	323,6	13,9	331,9	14,4	339,1	13,2	377,3	16,6	393,4	17,0
Total available own funds	423,6	18,2	431,9	18,8	439,1	17,1	477,3	21,0	493,4	21,3

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

Note 9. Capital adequacy analysis cont.

Statement of total capital requirements and capital base

Risk-weighted capital requirements and capital requirements in relation to gross leverage

Leverage ratio – capital requirement	06/30/2023		03/31/2023		12/31/2022		09/30/2022		06/30/2022	
	SEKm	%	SEKm	%	SEKm	%	SEKm	%	SEKm	%
Total exposure										
Total exposure	3 347,8	–	3,322.6	–	4,067.2	–	3,559.7	–	3,400	–
Leverage requirement (Pillar 1 requirement)¹⁾										
Common Equity Tier 1 (CET1) capital	0,0	0,0	0	0	0	0	0	0	0	0
Tier 1 capital	100,4	3,0	99,7	3,0	122,0	3,0	106,8	3,0	102,0	3,0
Leverage requirement (Pillar 2 requirement)²⁾										
Common Equity Tier 1 (CET1) capital	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
Notification (Pillar 2 guidance)³⁾										
Common Equity Tier 1 (CET1) capital	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
Total capital requirement	0,0	0,0	0	0	0	0	0	0	0	0
Overall leverage requirement										
Common Equity Tier 1 (CET1) capital	0,0	0,0	0	0	0	0	0	0	0	0
Tier 1 capital	100,4	3,0	99,7	3,0	122,0	3,0	106,8	3,0	102,0	3,0
Total capital requirement	100,4	3,0	99,7	3,0	122,0	3,0	106,8	3,0	102,0	3,0
Overall leverage requirement										
Common Equity Tier 1 (CET1) capital	323,6	13,9	331,9	14,4	339,1	13,2	377,3	16,6	393,4	17,0
Tier 1 capital	323,6	13,9	331,9	14,4	339,1	13,2	377,3	16,6	393,4	17,0
Total capital requirement	423,6	18,2	431,9	18,8	439,1	17,1	477,3	21,0	493,4	21,3

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

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

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

Internally assessed capital requirement

As of June 30, 2022 the internal assessed capital requirement, 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 319 million, or 13.7% of the risk-weighted exposure.

Note 10. Disclosure of liquidity risks

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

Sources of funding

Qliro's net lending to the public amounted to SEK 2,476 (2,534) million at the end of the quarter. SEK 2,772 (2,661) million of the lending was financed by deposits from the public (savings accounts) in Sweden and Germany, of which 99.8 percent are protected by the deposit insurance scheme in Sweden. Deposits from the public were divided into 57 percent on demand with variable rate and 43 percent fixed interest rate with a duration of 133 days (initially 6-month fixed rate and 1-year fixed rate) as of June 30, 2023. 25 percent of deposits from the public are invested in liquid interest-bearing securities and deposits with Nordic banks.

Liquidity

Qliro AB's total liquidity reserve as of June 30, 2023 amounted to SEK 685 million and comprised:

- Liquid investments: SEK 211 million
- Bank balances with Nordic Banks: SEK 474 m

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

- The total investment portfolio comprises liquid investments, of which SEK 199 million is denominated in SEK and SEK 12 million denominated in EUR.
- The liquid investments denominated in EUR comprise bonds issued by Swedish municipalities.
- All bonds and certificates in the portfolio have a credit rating of AA+ with an average maturity of 100 days.

As of June 30, 2023 the liquidity coverage ratio amounted to 228 percent for Qliro AB, to be compared with the regulatory requirement of 100 percent. The liquidity coverage ratio indicates a liquidity buffer of SEK 211 million, in relation to net outflows of SEK 93 million over a 30 day period under stressed market conditions.

Note 11. Events after end of period

There were no significant events after the end of the period.

ALTERNATIVE PERFORMANCE MEASURES

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

Performance measures	Definition	Purpose
Return on equity, (%)	Net income for the year/period, restated as a full year value, as a percentage of average equity for two measurement periods (opening and closing balance for the period).	The measure is used to analyze profitability in relation to equity.
Deposits and borrowing 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 derived from deposits from the public.
Items affecting comparability	Income and expenses that significantly affect comparability over time 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 total operating income.	The purpose is to provide an indication of the company's cost-effectiveness in relation to total operating income. Also used in benchmark comparisons.
Net credit losses	The period's expected credit losses on Balance Sheet items as well as the period's established credit losses, net.	The purpose is to track the scale and trend for credit risks in lending, and to explicitly do so for the scale of forecast-based credit losses reducing 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 Later volume²⁾	The period's credit losses for Pay Later ¹⁾ , 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 Later volumes ²⁾ . The measure is critical to the analysis of credit risk between various periods and versus the competition.
Profit/loss 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 total return, after all expenses and tax. Adjustment for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Net commission income	Total commission income less commission expenses.	Net commission income is monitored to track the progress of the core business not attributable to lending and deposits. Largely reflects the scope and profitability of lending commissions related to Payment Solutions' products and other payment services.
Net commission income adjusted for items affecting comparability	Total commission income less commission expenses adjusted for items affecting comparability.	Net commission income adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Net interest income	Total interest income less interest expenses.	Net interest income is monitored to track the progress of the core business related to lending and deposits.
Net interest income adjusted for items affecting comparability	Total interest income less interest expenses adjusted for items affecting comparability.	Net interest income adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Operating profit/loss	Total operating income less administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, other operating expenses and credit losses, net.	Operating profit is monitored to track the profitability of overall operations, taking into account credit losses and all other expenses except tax.
Operating profit adjusted for items affecting comparability	Total 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 the opportunity for evaluation and making comparisons over time.
Operating profit less depreciation, amortization and impairment of property, plant and equipment and intangible assets	Total operating profit less depreciation, amortization and impairment of tangible and intangible assets.	The purpose is to evaluate operating activities.
Total expenses before credit losses	Total operating expenses, representing total administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, and other expenses, in the period.	The purpose is to monitor the size of central expenses not directly related to lending and commissions.
Total operating income	Total net interest income, net commission income, net profit/loss on financial transactions, and other operating income.	Total operating income is monitored to track progress 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 expenses before credit losses	Total operating expenses, representing total administrative expenses, depreciation, amortization and impairment of property, plant and equipment and intangible assets, and other expenses, in the period.	The purpose is to monitor the size of central expenses not directly related to lending and commissions.

1) Pay Later was termed Pay After Delivery (PAD) in previous reports

2) Pay Later volume was termed Pay After Delivery volume in previous reports

ALTERNATIVE PERFORMANCE MEASURES cont.

Performance measure	Definition	Purpose
Total operating income adjusted for items affecting comparability (accrual of merchant commission)	Total net interest income, net commission income, net profit/loss on financial transactions, and other operating income, adjusted for items affecting comparability.	Operating profit adjusted for items affecting comparability improves the opportunity for evaluation and making comparisons over time.
Total operating income margin, %	Total 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.
Lending to the public	Loans receivable less provision for expected credit losses.	Net lending to the public is a central driver of total operating income.

OPERATING PERFORMANCE MEASURES

Performance measure	Definition	Purpose
Number of connected merchants	The number of brands using Qliro as a payment provider.	The number of connected merchants is a central measure in the analysis of the growth forecast for Pay Later volumes ¹ .
Average number of employees	Full-time services excluding contracted consultants.	The measure indicates the performance of one of the Group's key processes, HR recruitment and personnel development, over time.
Payment volume⁴⁾	The total payment volume processed in Qliro's checkout, including VAT for direct payments and Qliro's payment products. Pay Now volumes ⁴⁾ + Pay Later volumes ²⁾ .	The total payment volume for all payment methods offered through the Payment Solutions segment. This volume plays a key role in Qliro's earnings and the dynamics of the earnings structure, as well as for the structure of the loan portfolio.
Pay Now volume⁴⁾	Total volume, including VAT, for direct payments (card, bank transfer, Swish, Paypal, MobilePay, etc.).	The Pay Now volume ⁴⁾ is an important part of the business model, enabling the company to offer customers an integrated solution in Qliro's checkout, and is also a driver of total operating income.
Pay Later volume²⁾	Total volume of Qliro's payment products (invoice, BNPL or part payment), including VAT.	Pay Later volume ²⁾ is a central driver of total operating income. The measure is used as a complement to lending to the public to capture the high turnover in the loan portfolio of the Payment Solutions segment.
BNPL volumes	Total purchases completed using different Pay Later products, such as "buy now, pay later"; "flexible part payments" and "fixed part payments". Invoicing is not included in this performance measure.	BNPL volume is an important performance measure as it provides insight into growth, credit risk, income and profitability.
Invoice volumes	Total purchases completed using the invoicing product.	Invoiced volume is an important performance measure as it provides insight into growth, credit risk, income and profitability.
Pay Now transactions⁴⁾	Number of transactions for direct payments (card, bank transfer, Swish, Paypal, MobilePay, etc.).	Pay Now transactions ⁴⁾ are an important part of the business model, enabling the company to offer customers an integrated solution in Qliro's checkout, and are also a driver of total operating income.
Pay Later transactions³⁾	The number of transactions using Qliro's payment products (invoice, BNPL or part payment).	Pay Later transactions ³⁾ are a key driver of total operating income. The measure is used as a complement to lending to the public to capture the high turnover in the loan portfolio of the Payment Solutions segment.
Average order value⁴⁾	Total Pay Later volumes ²⁾ and Pay Now volumes ⁴⁾ in relation to Pay Now transactions ⁴⁾ and Pay Later transactions ³⁾ .	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings and the structure of the loan portfolio.
Average order value, Pay Now⁴⁾	Total Pay Now volumes ⁴⁾ in relation to Pay Now transactions ⁴⁾ .	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings.
Average order value, Pay Later^{3,4)}	Total Pay Later volumes ²⁾ in relation to Pay Later transactions ^{3,4)} .	The average value of an order is an important performance measure, which can be combined with other performance measures to improve the understanding of the progress and dynamics of earnings and the structure of the loan portfolio.
Payments Take Rate (% Operating income in relation to total payment volume)⁴⁾	Total operating income / Payment volume ⁴⁾ .	This metric is used to analyze value creation and profitability in relation to total volumes processed in Qliro's checkout.

OTHER PERFORMANCE MEASURES

Performance measure	Definition	Purpose
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 the total 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 comprises 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 the total capital ratio to ensure that the institution has sufficient capital.

1) Pay Later was termed Pay After Delivery (PAD) in previous reports

2) Pay Later volume was termed Pay After Delivery volume in previous reports

3) Pay Later transactions were termed Pay After Delivery volume in previous reports

4) New KPIs Q1 2023

RECONCILIATION TABLES

for derivation of alternative performance measures

SEK million (unless otherwise stated)	2023 Apr – Jun	2022 Apr – Jun	2023 Jan – Jun	2022 Jan – Jun
Payment volume				
Pay Now volume ²⁾	1,351	1,275	2,677	2,505
Pay Later volume ¹⁾	1,448	1,596	2,856	3,148
Payment volume²⁾	2,799	2,871	5,535	5,653
Return on equity, (%)				
Total equity, opening balance	471	541	471	548
Total equity, closing balance	472	512	472	512
Average equity (OB+CB)/2	472	526	471	530
Profit/loss for the period	0.8	-27.4	1.9	-34.6
Average profit/loss for the period 12 month	3.3	-109.6	3.8	-69.2
Return on equity, (%)	0.7%	-20.8%	0.8%	-13.1%
Items affecting comparability				
VAT correction	-	-	-	-4.9
Severance pay	-	2.1	-	2.1
Profitability project	-	5.6	-	5.6
Legal fees	-	2.5	-	2.5
Items affecting comparability	-	10.2	-	5.3
C/I ratio, %				
Total expenses before credit losses	-82.5	-104.1	-162.5	-190.7
Total operating income	117.7	105.4	231.4	211.4
C/I ratio, %	70.1%	98.8%	70.2%	90.2%
Credit loss level, %				
Lending to the public, opening balance	2,477	2,570	2,687	2,759
Lending to the public, closing balance	2,475	2,534	2,475	2,534
Average lending to the public (OB+CB)/2	2,476	2,552	2,581	2,646
Net credit losses	-32.4	-35.1	-65.0	-63.2
Average net credit losses 12 month	-129.8	-140.6	-130.0	-126.3
Credit loss level, %	5.2%	5.5%	5.0%	4.8%
Credit loss level, Digital Banking Services, %				
Lending to the public, Digital Banking Services, opening balance	855	1 014	879	1 060
Lending to the public, Digital Banking Services, closing balance	829	956	829	956
Average lending to the public, Digital Banking Services (OB+CB)/2	842	985	854	1 008
Net credit losses	-7.2	-6.3	-14.7	-12.5
Average net credit losses 12 month	-28.9	-25.2	-29.4	-25.0
Credit loss level, Digital Banking Services, %	3.4%	-2.6%	3.4%	-2.5%
Credit loss level, % in relation to processed Pay Later volume¹⁾				
Net credit losses Pay Later ¹⁾	-25.2	-28.8	-50.3	-50.6
Processed Pay Later volume ¹⁾	1,447	1,596	2,856	3,148
Credit loss level, % in relation to processed Pay Later volume¹⁾	1.7%	1.8%	1.8%	1.6%

1) Pay Later was termed Pay After Delivery (PAD) in previous reports

2) New performance measure

RECONCILIATION TABLEScont.

SEK million (unless otherwise stated)	2023 Apr – Jun	2022 Apr – Jun	2023 Jan – Jun	2022 Jan – Jun
Profit/loss for the period adjusted for items affecting comparability				
Profit/loss for the period	0.8	-27.4	1.9	-34.6
Items affecting comparability	0.0	10.2	0.0	5.3
Tax effect on items affecting comparability	0.0	-2.1	0.0	-1.1
Profit/loss for the period adjusted for items affecting comparability	0.8	-19.3	1.9	-30.4
Net commission income				
Commission income	51.6	50.3	105.1	100.6
Commission expenses	-2.0	-2.0	-4.1	-4.0
Net commission income	49.6	48.3	101.0	96.6
Operating profit less depreciation, amortization and impairment of property, plant and equipment and intangible assets				
Operating profit/loss	2.8	-33.9	3.9	-42.4
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	17.6	25.9	35.5	50.3
Operating profit less depreciation, amortization and impairment of property, plant and equipment and intangible assets	20.4	-8.0	39.4	7.9
Operating profit adjusted for items affecting comparability				
Operating profit/loss	2.8	-33.9	3.9	-42.4
Items affecting comparability	0.0	10.2	0.0	5.3
Operating profit adjusted for items affecting comparability	2.8	-23.6	3.9	-37.1
Total operating income	117.7	105.4	231.4	211.4
of which Payment Solutions	98.7	87.0	193.9	173.7
of which Digital Banking Services	19.0	18.4	37.5	37.7
Total operating income margin, %				
Lending to the public, opening balance	2,477	2,570	2,687	2,759
Lending to the public, closing balance	2,475	2,534	2,475	2,534
Average lending to the public (OB+CB)/2	2,476	2,552	2,581	2,646
Total operating income	117.7	105.4	231.4	211.4
Average operating income 12 months	470.9	421.6	462.8	422.8
Total operating income margin, %	19.0%	16.5%	17.9%	16.0%
Lending to the public	2,475	2,534	2,475	2,534
of which Payment Solutions	1,647	1,578	1,647	1,578
of which Digital Banking Services	829	956	829	956

THE BOARD'S ASSURANCE

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

This report has not been subject to review by the Company's Auditors.

Stockholm, July 19, 2023

Patrik Enblad
Chairman

Alexander Antas
Board member

Mikael Kjellman
Board member

Lennart Francke
Board member

Helena Nelson
Board member

Christoffer Rutgersson
CEO

TELEPHONE CONFERENCE

Media, analysts and investors are invited to participate in a telephone conference on July 19 at 10 a.m. when CEO Christoffer Rutgersson and CFO Robert Stambro will present the interim report.

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

PARTICIPATE VIA TELEPHONE CONFERENCE:

<https://conference.financialhearings.com/teleconference/?id=200852>

PARTICIPATE VIA WEBCAST:

<https://ir.financialhearings.com/qliro-q2-2023>

The presentation and webcast will be published at: <https://www.qliro.com/sv-se/investor-relations/presentations/>

Financial calendar 2023

July 19, 2023	Extraordinary General Meeting
October 25	2023, Interim Report Q3 2023
February 8 2024	Year End Report 2023

For more information, please contact:

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The financial reports are also published at: www.qliro.com/en-se/investor-relations

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