

Q4 2024 PRESENTATION

CEO CHRISTOFFER RUTGERSSON

INTERIM CFO MIKAEL RAHM



TODAY'S PRESENTERS



Christoffer Rutgersson

CEO



Mikael Rahm

Interim CFO

AGENDA

- STRATEGIC UPDATE
- SUMMARY Q4 & YEAR-END REPORT
- BUSINESS MODEL
- FINANCIAL UPDATE
- OUTLOOK
- Q&A



STRATEGIC UPDATE

STRATEGIC HIGHLIGHTS



1

OPPORTUNITY TO BUILD A NEW EU LEADER IN COMPOSABLE PAYMENTS
DELIVERING A WORLD-LEADING EXPERIENCE FOR MERCHANTS, AND THEIR CUSTOMER JOURNEY

2

ACCELERATED GROWTH MOMENTUM IN PAYMENTS VOLUME +35% TPV SIGNED

3

STRONG GROWTH OF +202% CONNECTED MERCHANTS IN Q4

4

NORWAY LAUNCH ABOVE EXPECTATIONS, LAUNCHING IN FINLAND H1 2025

5

CAPITALIZE ON NEW PRODUCTS: QLIRO CHECKOUT 0.0, INSTORE AND LOYALTY DRIVER

6

UNIQUE SCALABLE BUSINESS MODEL WITH HIGH MARGINAL RETURN ON CAPITAL

OUR VISION

BUILDING AN **EU LEADER IN COMPOSABLE PAYMENTS,**
STARTING IN THE NORDICS, WITH GLOBAL CAPABILITIES

OUR MISSION

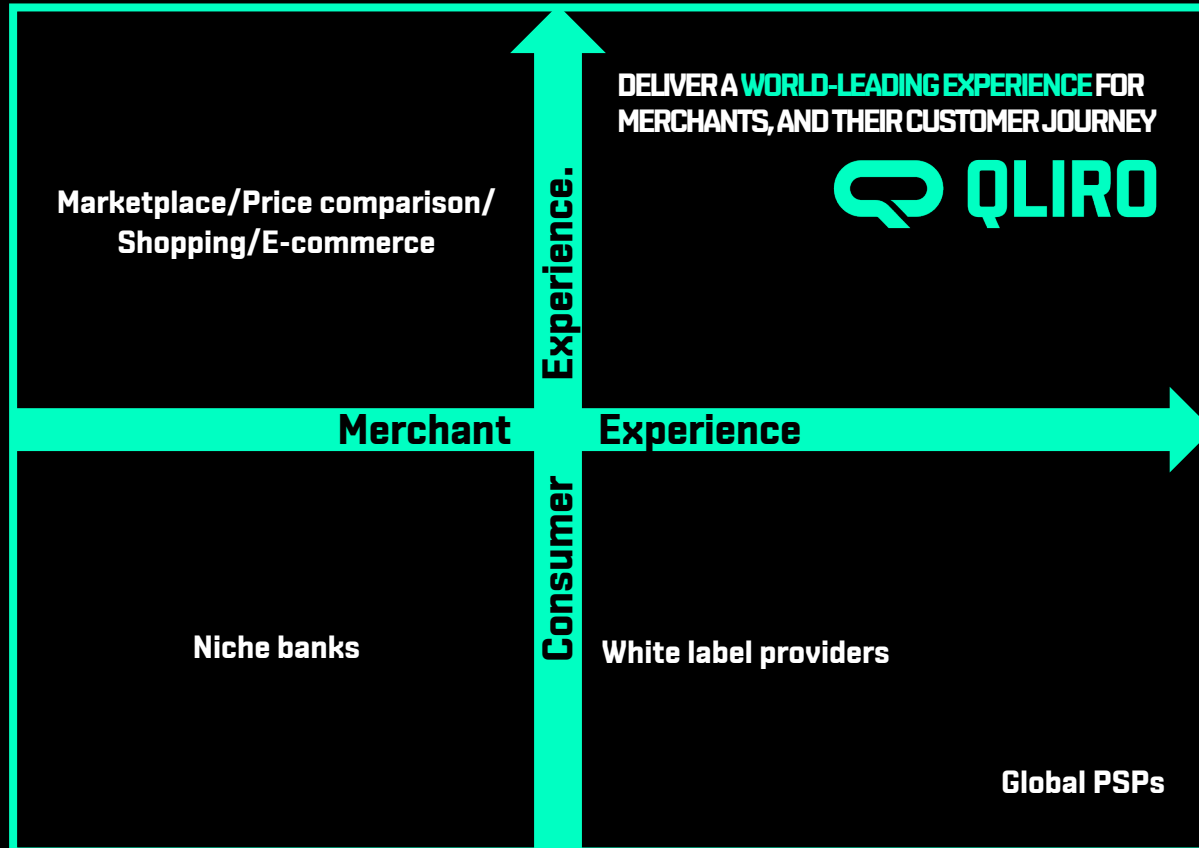
DELIVER A **WORLD-LEADING EXPERIENCE**
FOR MERCHANTS AND THEIR CUSTOMERS' JOURNEY

OUR AMBITION

AMBITION TO BECOME **LOCAL MARKET LEADER**
IN THE NORDICS WITHIN 3-5 YEARS

1

WHY LEADING MERCHANTS CHOOSE QLIRO?



COMPOSABLE PAYMENTS FOR GROWTH

- 1 LEADING CONVERSION IN NORDICS
- 2 UPSELL -> HIGHER AOV -> GM3 BOOST
- 3 MODULAR CHECKOUT & INTEGRATIONS
- 4 PARTNER & PERFORMANCE APPROACH
- 5 CONSUMER EXP - > LOYALTY
- 6 POSITIVE BUSINESS CASE >10-20X ROI

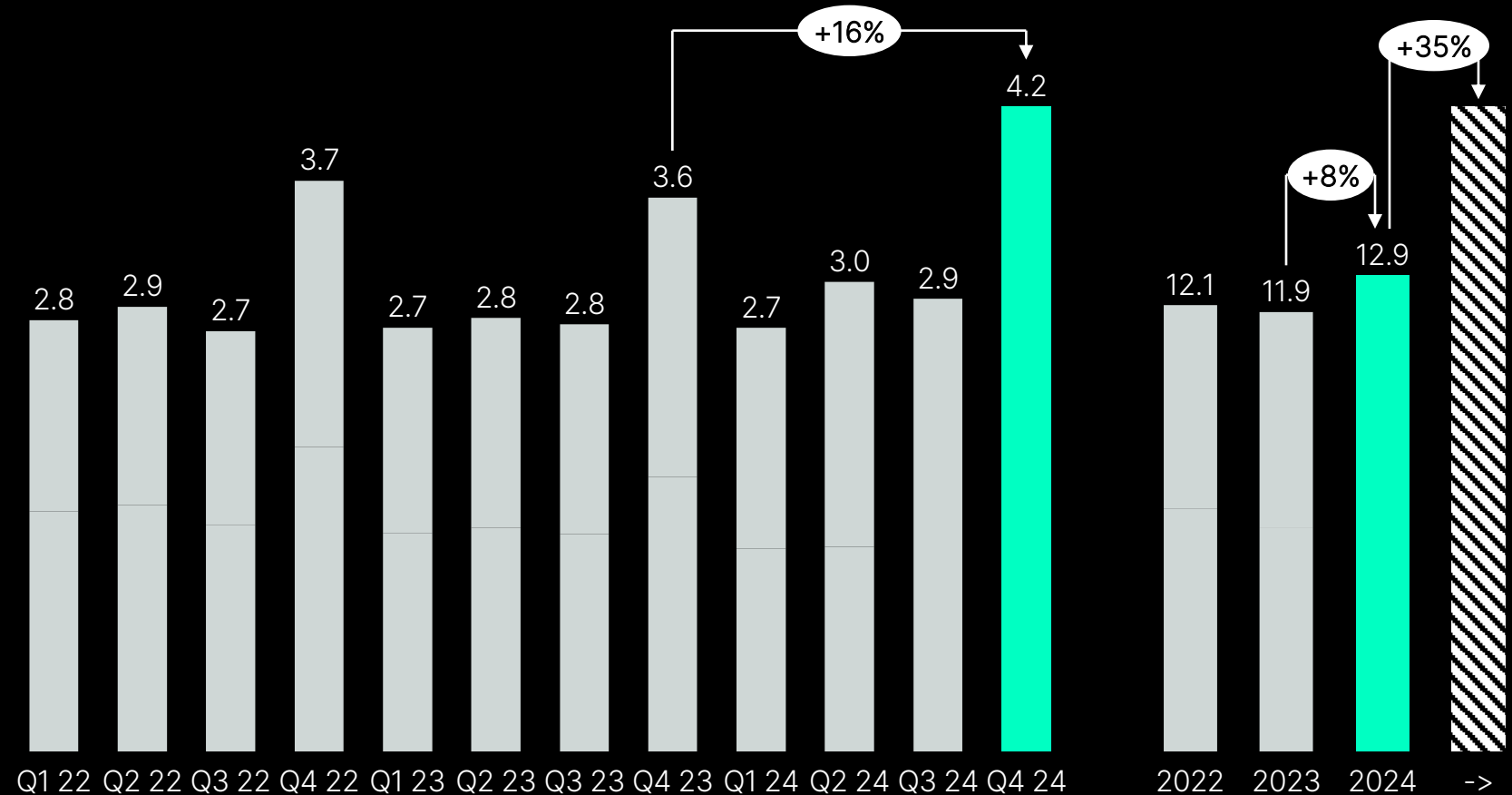


EXPECTED TPV GROWTH OF +35% TPV VS 2024 FROM SIGNED NEW CONTRACTS WITH MERCHANTS

Key takeaways

- In Q4 TPV grew 16% to YoY to 4.2 billion SEK boosted by increased number of connected merchants, mainly within SME
- Driven by a large volume in the onboarding process and newly signed deals, we anticipate a 35% growth compared to 2024

Total Payments Volume, billion SEK



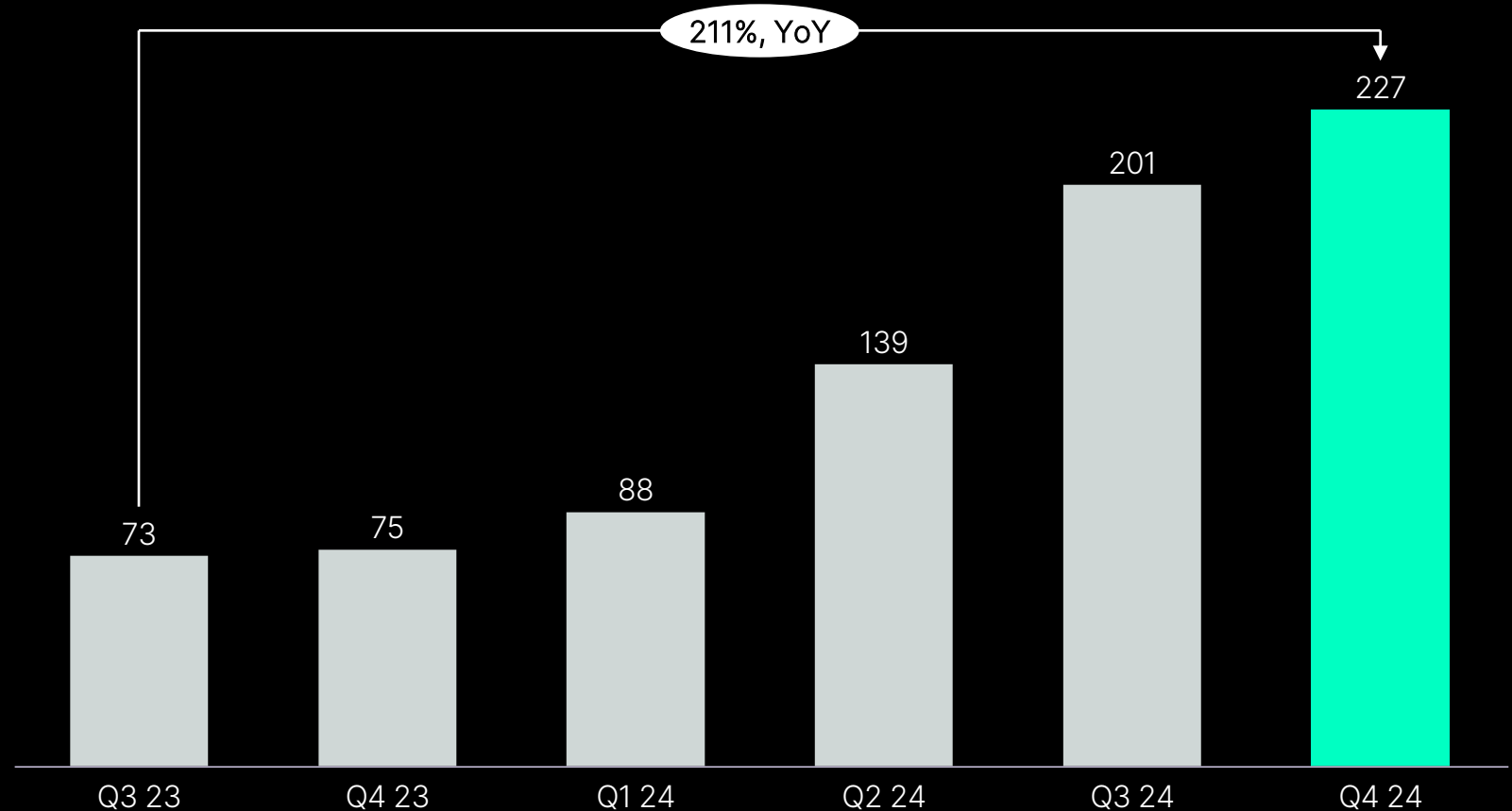
BUILDING LONG TERM MOMENTUM IN THE MARKET

MERCHANT GROWTH TAKING OFF AS OUR SME OFFERING OUTPERFORMS COMPETITION

Key takeaways

- Significant growth of +211% in no of active merchants Y-o-Y driven by:
 - Strategic focus on merchants and their customer journey
 - Expanded scope to include SME
 - Improved product offering with best-in-class conversion rates and a comprehensive solution for SMEs
 - New Enterprise Contracts:
 - Cyberphoto, one of Scandinavia's largest suppliers of photographic equipment, TPV ~ SEK 250 million, expected to go live in the first half of 2025
 - Pet group Pet Pawr Group AB (with online stores Zoo, Tinybuddy, PetXL and Dyrekassen) TPV ~ SEK 600 million, majority of volume expected to live Q3 2025
- Reliable technology with >99.99% uptime during FY 2024

No of active merchants



NORWAY LAUNCH ABOVE EXPECTATIONS, FINLAND LAUNCH IN H1 GEOGRAPHICAL EXPANSION INCREASES ADRESSABLE MARKET

Norway



- The successful launch in Norway continues with agreements exceeding SEK 400 million in TPV signed, supporting loan book growth
- Growing pipeline across both SME and Enterprise segments
- Norway increases our addressable market >+50% vs Sweden only
- Team expansion: Now five full-time employees (FTEs), focused on driving sales
- Strengthened market position through the launch of Qliro Checkout 0.0 and a new consumer app, boosting engagement and brand recognition

Finland

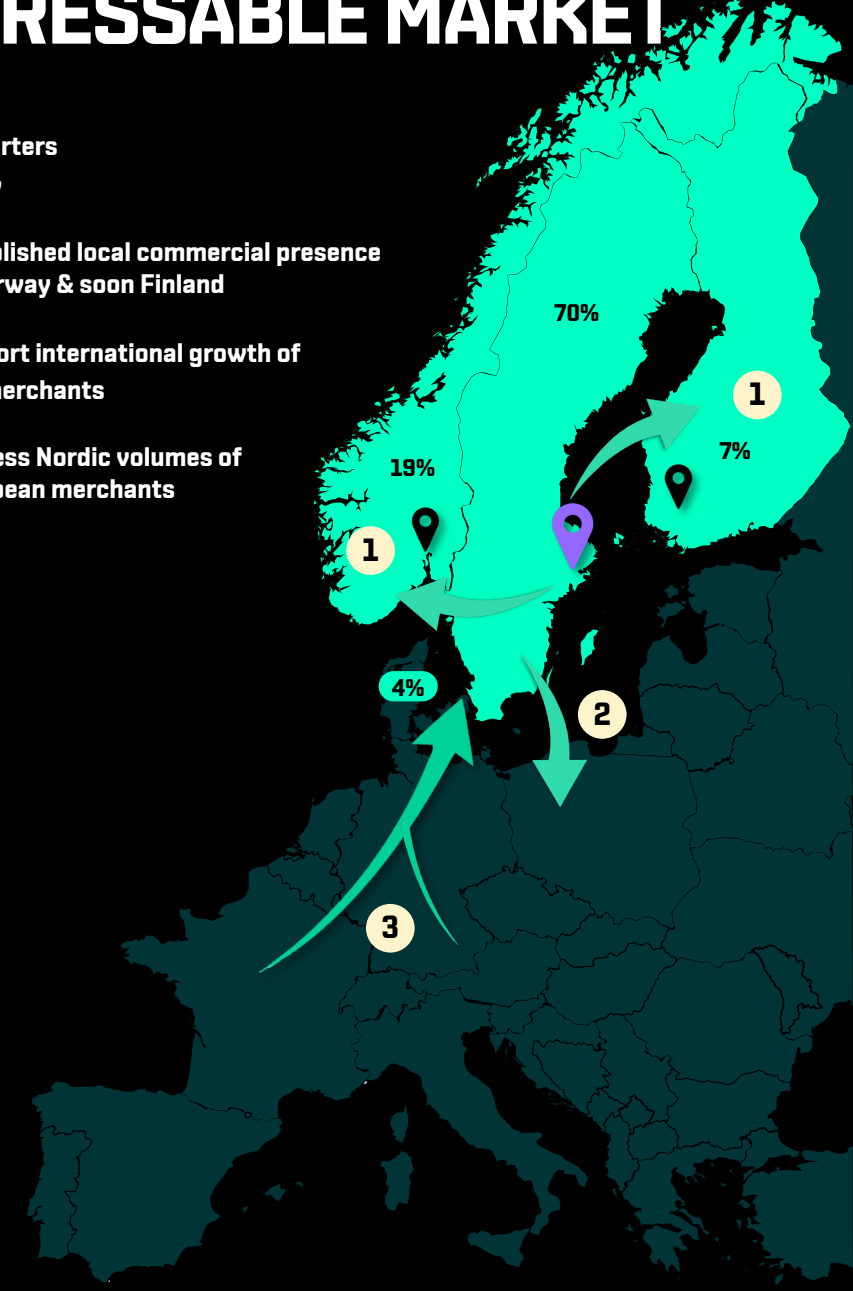


- Country manager with a background at a key competitor has assumed his position, strengthening Qliro's strategic execution in the region
- Full commercial team starting in Q2
- Qliro product offering already available in Finland, with ~ 7% of existing TPV
- Finland increases our addressable market >+50% vs Sweden only
- Similar market dynamics in Finland as in Sweden, with merchants wanting to take back control of their consumer journey
- Finnish e-com tech stack similar to Sweden, making Qliro's composable payments scalable with limited additional tech investments

Headquarters

% of TPV

- 1 Established local commercial presence in Norway & soon Finland**
- 2 Support international growth of our merchants**
- 3 Address Nordic volumes of European merchants**



**NORDIC GROWTH SUPPORTED BY ENHANCED PRODUCT OFFERING,
DESIGNED FOR MULTI-MARKET SCALABILITY**

2024: A YEAR OF PRODUCT-DRIVEN INNOVATION, ADVANCING TOWARDS A WORLD-LEADING E-COMMERCE EXPERIENCE

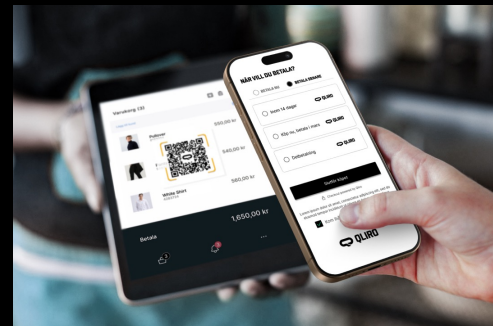
Key takeaways

- Enhanced Product Suite: Innovations like Qliro Checkout 0.0 and Unified Payments boost e-commerce and retail solutions
- Attracting Leading Brands: Improved offerings have secured partnerships with leading Nordic e-commerce brands
- Merchant Expansion: Our tailored solutions have increased reach across both Enterprise and SME
- Boosting Engagement: The new mobile app launch in key markets has increased customer loyalty and engagement
- Seamless Integration: Qliro In-store enables new revenue through omnichannel shopping experiences

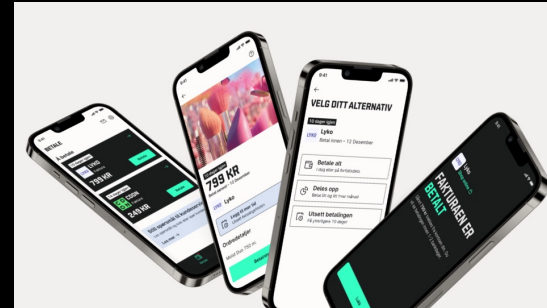
New product suite



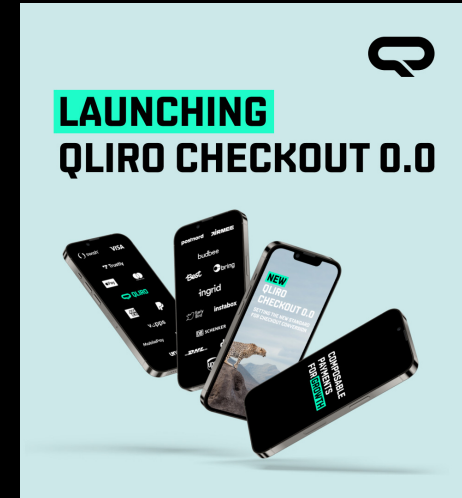
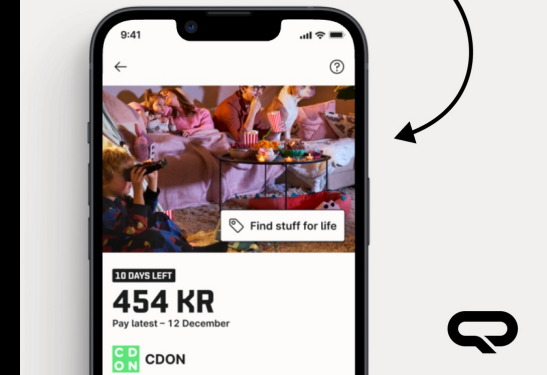
APP FEATURE **SCHEDULE PAYMENTS**



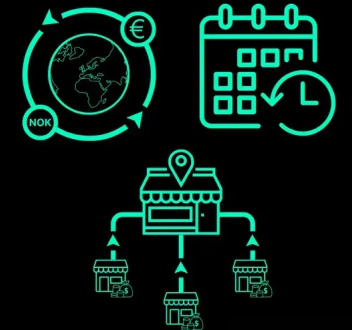
LAUNCHING **QLIRO IN-STORE**



CUSTOMIZED **CAMPAIGNS** IN THE QLIRO APP



LAUNCHING **QLIRO CHECKOUT 0.0**



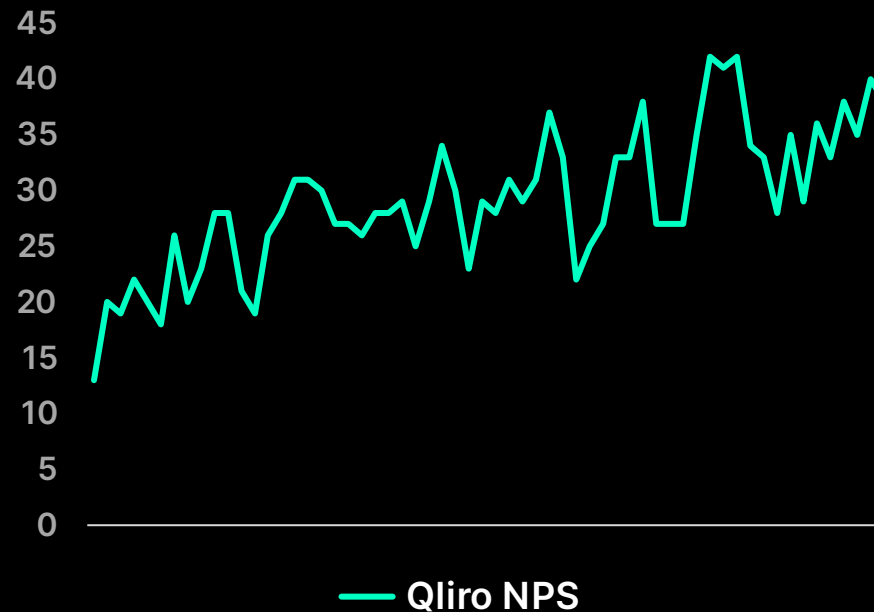
FAIR LENDING & CREDIT ASSESSMENT IMPROVEMENTS AMBITION TO DELIVER A WORLD CLASS CONSUMER EXPERIENCE

Key takeaways

- Enhancements to credit assessment and customer journey optimization led to a 15% reduction in reminder fees in Q4 2024 compared to last year.
- These changes have continued to drive a positive trend in NPS (38 as per Dec 24).
- The Trustpilot score is currently 3.8, a large increase since 2023 complemented by a strong App Store SE rating of 4.4.
- Improved precision in credit approvals ensures we lend to the right customers, reducing late payments and enhancing risk management while keeping conversion high.
- The improved discipline is expected to result in lower long-term credit losses, decreasing credit losses and enhancing profitability, aligning with Qliro's strategic objectives to create a world-leading experience.

Improved customer journey

Net Promoter Score



Reminder fees


-15%

TrustPilot Score



App Store



6

UNIQUE SCALABLE BUSINESS MODEL WITH HIGH MARGINAL RETURN ON CAPITAL

**Scalable Platform,
already launched
across Nordics**

**Large growth potential,
from currently small
market share (<5%)**

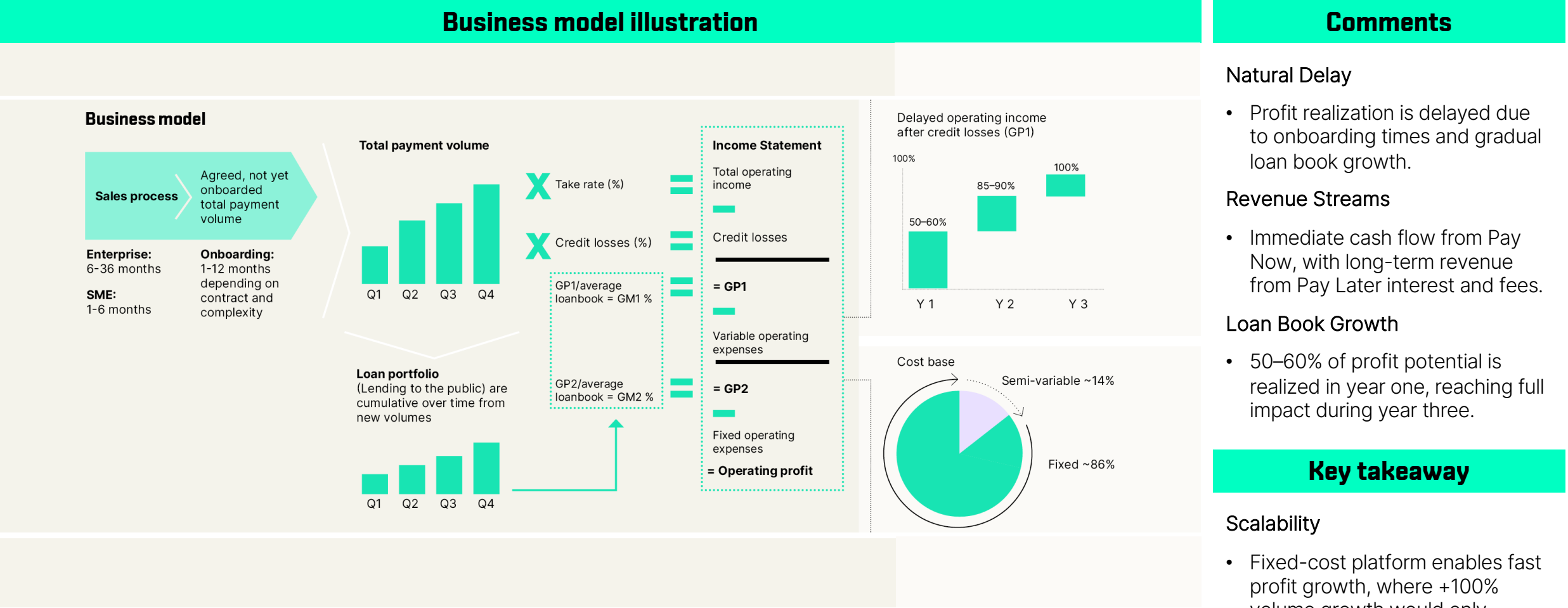
**High marginal return on
capital for new volume**

SUMMARY FULL-YEAR 2024: YET ANOTHER **SUCCESSFUL YEAR** FOR QLIRO TOWARDS ITS VISION TO BUILD A EUROPEAN LEADER IN PAYMENTS

- QLIRO DOUBLES DOWN ON **PAYMENTS TRANSFORMATION**
- **SIGNIFICANT GROWTH** MOMENTUM IN PAYMENTS (EXPECTED >+35% TPV)
- STRONG **MERCHANT BASE GROWTH**, LAYING THE FOUNDATION FOR LONG-TERM GROWTH AND PROFITABILITY
- CAPITALIZING ON ENHANCED PRODUCT OFFERING WITH INDUSTRY-LEADING CAPABILITIES IN **CONVERSION** AND **CONSUMER EXPERIENCE**
- ONGOING NORDIC **EXPANSION** TO INCREASE ADDRESSABLE MARKET
- IMPROVED OPERATIONAL **EFFICIENCY** AND **DIGITIZATION**, ENABLING FAST AND SCALABLE GROWTH

FINANCIAL UPDATE

SCALABLE BUSINESS MODEL WITH A NATURAL DELAY BETWEEN PROCESSED PAYMENT VOLUMES AND PROFIT REALIZATION

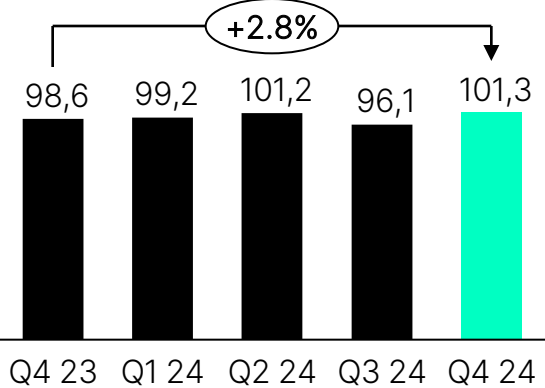


FOCUS SHIFT FROM PROFIT TO GROWTH

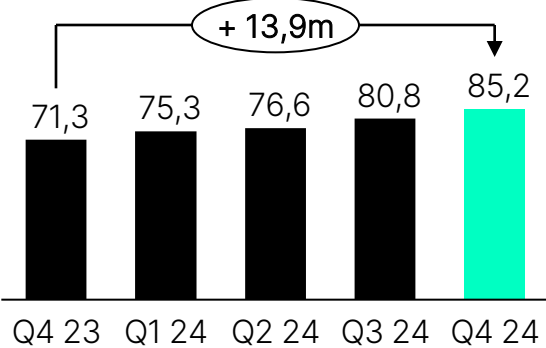
Key financial highlights

- Adjusted operating profit decreased to -14.8 MSEK primarily due to geographic expansion and commercial growth initiatives combined with changes in the base rate which reduced interest income from merchants, while interest expenses did not adjust at the same pace.
- Adjusted operating expenses increased to 85.2 MSEK due to geographic expansion and commercial growth initiatives, which resulted in increased costs of SEK 7.6 million compared to the previous year, higher depreciation expenses as well as accrual adjustments in the previous year.
- Credit losses decreased by 0.16%-points to 0.74% of total payments volume, mainly due to a divestment of assets in the fourth quarter of 2023, which resulted in a change in reserves in that quarter.

Income development

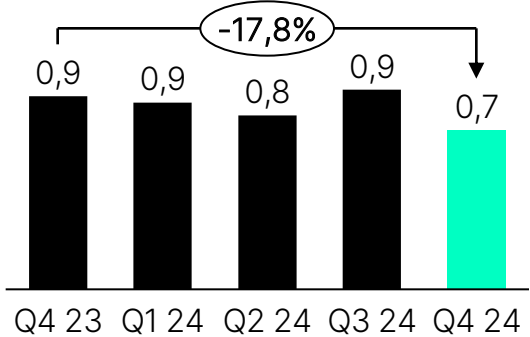


Adj. Operating expenses

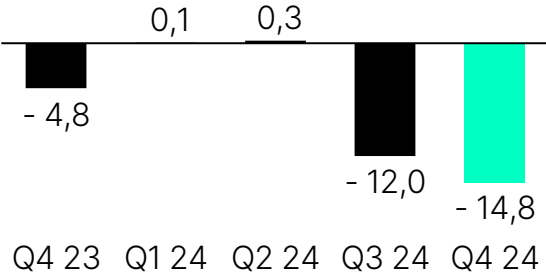


Credit losses / TPV, %

The average credit losses over all quarters has been Ø 0,84%



Adj. Operating profit development



MSEK unless otherwise stated.

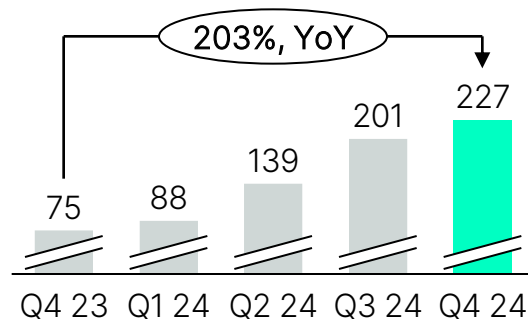
Q4 PERFORMANCE

Comments

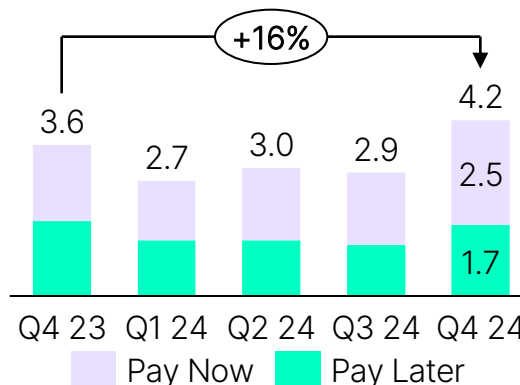
- Total Payment Volume increased by 16.4% to 4.2 Bn SEK, driven by higher Pay Now volumes
- Pay Now volumes increased by 37% to 2.5 Bn SEK as domestic payment methods such as Swish / Vipps / MobilePay continue to grow
- BNPL volumes decreased by 3%, while total Pay Later volume decreased by 7% to 1.7 Bn SEK as a result of lower invoice volumes.

Operational KPI's

No. of active merchants

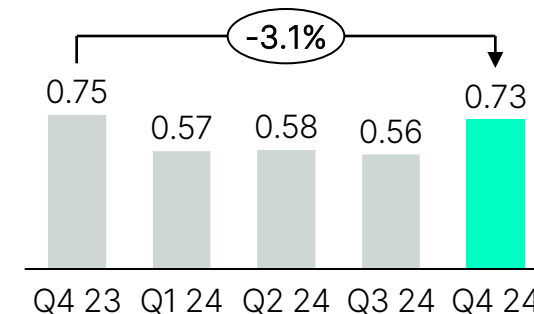


Total Payments Volume, Bn SEK

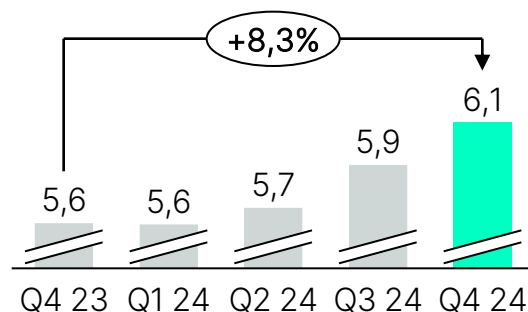


BNPL Volumes, Bn SEK

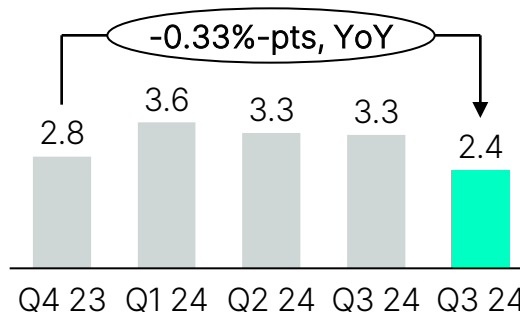
BNPL is our most profitable part of the Pay Later volumes given that the invoice volumes have limited fees



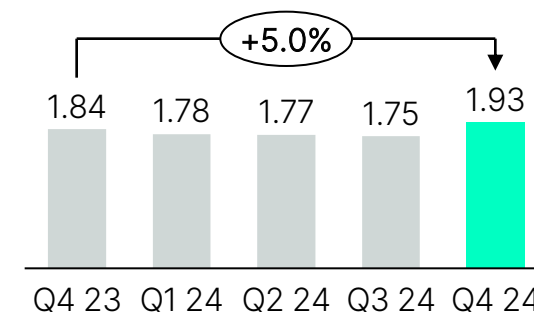
No. of active consumers, LTM (m)



Take Rate, % (Income / TPV)



Payment Balance, Bn SEK



FOUR NEW KPI'S INTRODUCED

Comments

- Take Rate remains one of our central KPIs, but it does not give the full picture during periods of higher growth due to the inherent revenue delay in our business model
- We have therefore introduced four new KPIs in order to improve the illustration of profitability trends during periods of higher growth
- GP1 is defined as operating income minus credit losses, which has the added benefit of being easy to benchmark against competitors
- GP2 means GP1 minus variable expenses, which reflects the contribution to cover fixed expenses
- These KPIs are then divided by the average loan book to create GM1 and GM2, which reflect our margin on the loan book. GM1 and GM2 can then be compared to the related capital requirement to assess the return on capital employed

Operational KPI's

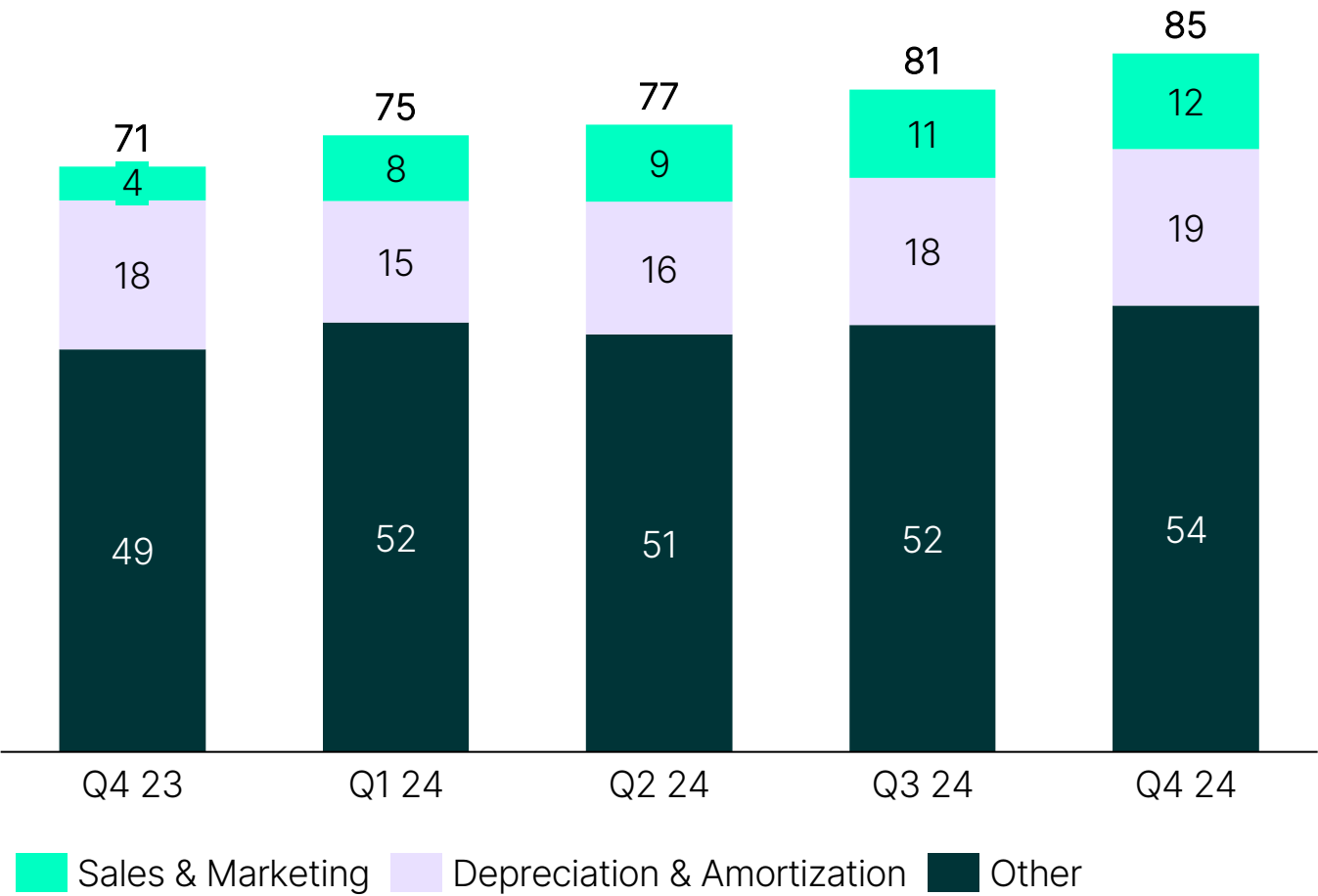
	2024 Oct-Dec	2023 Oct-Dec	2024 Jan-Dec	2023 Jan-Dec	LTM
GP1 and GP2					
Total operating income	101.3	98.6	397.8	374.6	397.8
Credit losses	-30.9	-32.1	-106.4	-92.6	-106.4
GP1	70.4	66.6	291.4	282.0	291.4
Variable operating expenses	-9.4	-6.8	-35.0	-28.3	-35.0
GP2	60.9	59.8	256.4	253.7	256.4
GM1 and GM2 %, as a proportion of lending (annualized)					
Lending to the public, opening balance	1,745	1,677	1,839	1,807	1,839
Lending to the public, closing balance	1,930	1,839	1,930	1,839	1,930
Average lending to the public (OB+CB)/2	1,837	1,758	1,884	1,823	1,884
GP1	70.4	66.6	291.4	282.0	291.4
Average GP1, 12 months	281.4	266.2	291.4	282.0	291.4
GM1	15.3%	15.1%	15.5%	15.5%	15.5%
GP2	60.9	59.8	256.4	253.7	256.4
Average GP2, 12 months	243.7	239.1	256.4	253.7	256.4
GM2	13.3%	13.6%	13.6%	13.9%	13.6%

STRATEGIC INVESTMENTS DRIVING NORDIC EXPANSION

Comments

- Our focus has deliberately shifted towards growth. Increased growth efforts and geographical expansion led to increased Sales & Marketing expenses by 7.6 MSEK (incl. cost for new markets)
- Q4 depreciation increased by 0.9 MSEK and other operating expenses increased by 5.3 MSEK primarily due to accrual adjustments in the previous year.
- Additionally, we incurred 1.3 MSEK in restructuring expenses, classified as IAC, in Q4 relating to severance in order to further optimize our cost base as we divested the Digital Banking Services loan portfolio.5.

Adjusted operating expense development excl. IAC

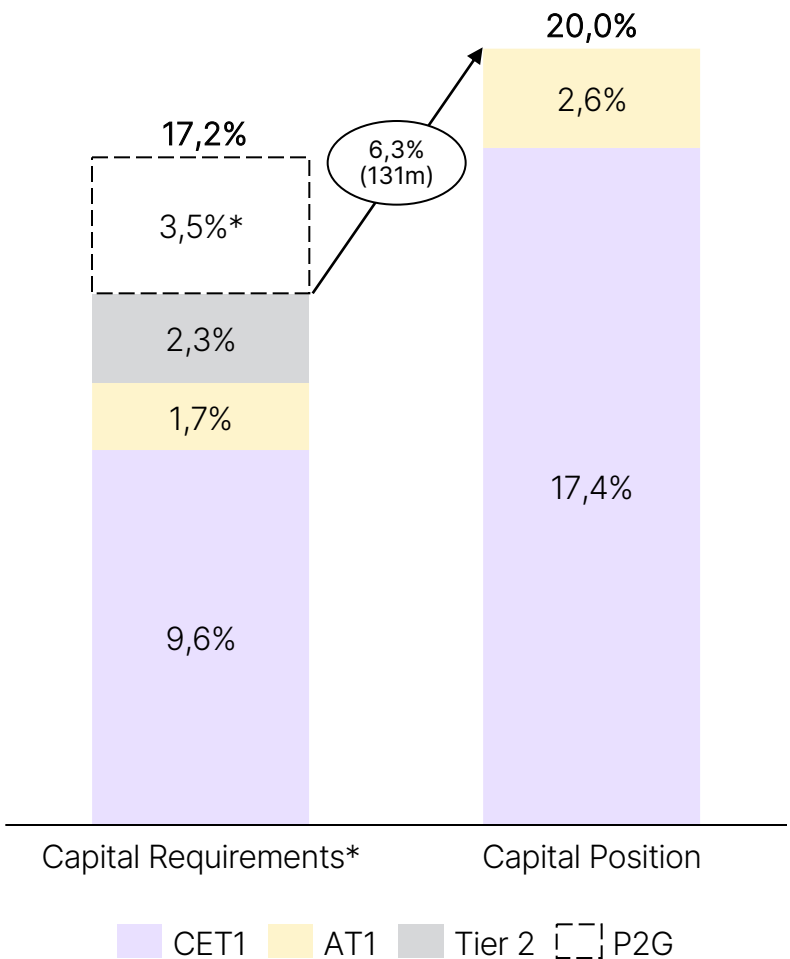


CAPITAL AND LIQUIDITY

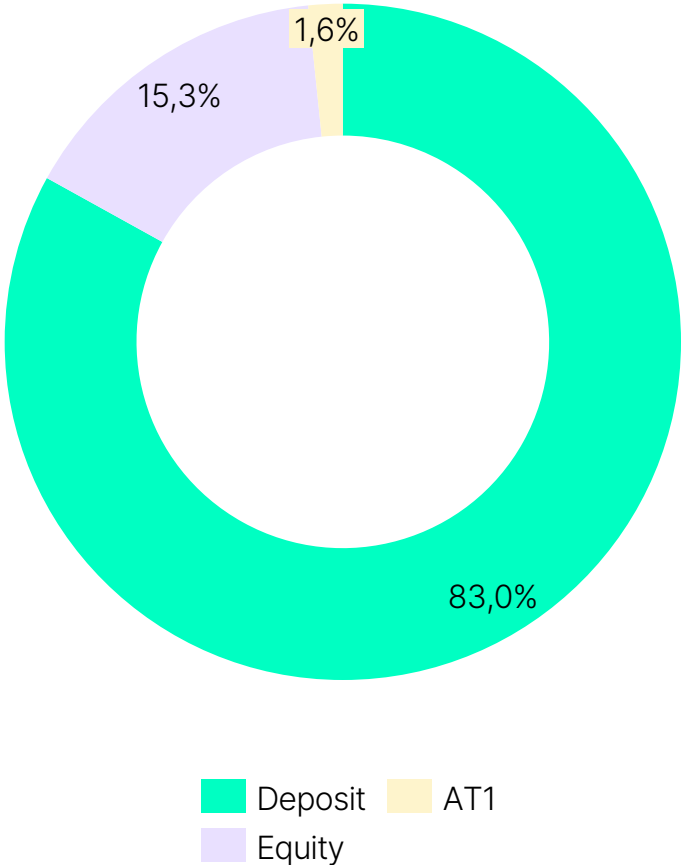
Comments

- Capital headroom of 6.3%-pts or 131 MSEK towards regulatory requirements.
 - Including the Pillar 2 guidance (P2G) buffer of 3.5%, the capital headroom was 2.8%-pts or 59 MSEK.
- Solid liquidity position with an LCR of 583% and NSFR of 130%.
- Lending to the public primarily financed through deposits in Sweden and Germany.
- In October, we raised 50 MSEK in a directed share issue plus 55 MSEK in an AT1 bond to finance growth investments

Capitalization



Financing mix



* Capital Requirement excluding Pillar 2 guidance of 3.5% on all levels.

OUTLOOK

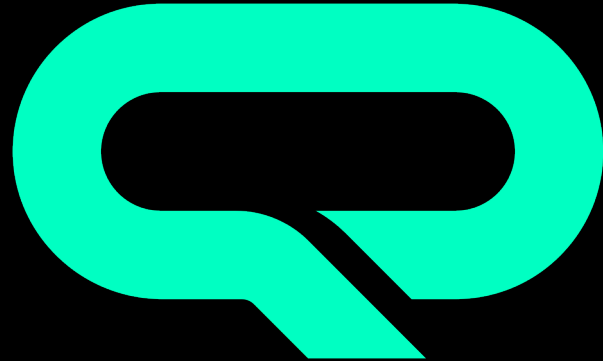
LOOKING AHEAD - ACCELERATION

- 1 ACCELERATE OUR SME & ENTERPRISE SALES ENGINE**
- 2 PRIORITING GROWTH TO CAPITALIZE ON OPPORTUNITIES**
- 3 CONTINUED TO INVEST IN OUR PAYMENT CAPABILITIES**
- 4 EXPAND ADDRESSABLE MARKET BY LAUNCH IN FINLAND**
- 5 CONTINUE TO OPTIMIZE ONBOARDING TO HANDLE INFLOW**
- 6 EXPECTING OVER 35% TPV GROWTH COMPARED TO 2024**

**DELIVER A MARKET LEADING EXPERIENCE FOR
MERCHANTS AND THEIR CUSTOMER JOURNEY**



Q&A



IR@QLIRO.COM