

Qliro Group sets revised strategic direction and adopts new targets

Press release, Stockholm, 25 January 2017

Qliro Group AB (publ) has conducted a strategy review and has now set its revised strategic direction and adopted new targets. The decision has been made to focus the group's operations on the business areas Marketplace, Fashion and Financial Services. Qliro Group's operations already today constitute a leading Nordic e-commerce platform with attractive payment solutions. Qliro Group's platform, which is used by more than 1,200 merchants, has around 250 million visits annually, generating 8 million orders through 4 million active customers. With the set strategy, the ambition is to secure and further strengthen the groups position as the leading Nordic player within the e-commerce segment.

“Consumers today are increasingly turning to online marketplaces with broad product-ranges, attractive prices and high service levels. There are also a number of synergies and significant economies of scale between a broad and attractive e-commerce platform and the payment solutions and financial services of today and tomorrow. With CDON Marketplace as the foundation, we will continuously invest in and develop our existing e-commerce platform and establish a leading meeting place for consumers and merchants, says Marcus Lindqvist, CEO of Qliro Group.

Qliro Financial Services has developed according to plan, focusing on adding services and improving customer experiences. The innovation rate within the sector is high. To capture the opportunities in the fast developing consumer finance sector, and to be at the forefront of the technical development, continued investments will be made with the ambition to play a larger role in the end consumer's everyday life. Furthermore, we see opportunities to accelerate the business, and efforts will be made for external volumes to reach 50 percent of total volumes in Qliro Financial Services during 2018.

“In Nelly, we have a strong and profitable position within fashion for young women. On this foundation, we see the opportunity to further strengthen Nelly's core business and launch new concepts to establish a position as a leading e-tailer within selected segments in the Nordic fashion field, where several niches lack a clear market leader today”, comments Marcus Lindqvist, CEO of Qliro Group.

Qliro Group's overall goals are to:

- strengthen the position as the leading e-commerce platform for end consumers in the Nordics,
- provide an attractive offering within payment solutions and associated financial services for both consumers and merchants,
- establish a position as a leading e-tailer within selected segments in the Nordic fashion field.

“There are several trends and factors pointing to continued strong growth within e-commerce and associated services. At the same time, continuous technical and functional development, not least within financial services, makes it necessary to focus our operations and devote ourselves to the chosen core areas – the business areas Marketplace, Financial Services and Fashion – to secure and strengthen the group’s competitiveness”, comments Marcus Lindqvist, CEO of Qliro Group.

Qliro Group’s core business areas consist of:

Marketplace (CDON), with Magnus Fredin as Head of Marketplace.

Fashion (Nelly, NLY Man, Members), with Ludvig Anderberg as acting Head of Fashion (Jan Wallsin assumes this role on 1 July 2017 at the latest).

Financial Services (Qliro Financial Services), with Patrik Illerstig as Head of Financial Services.

This structure creates the right conditions to manage, invest in and thereby develop the business in an efficient and profitable manner.

“As part of the strategy review, we have reviewed every company and their respective challenges and opportunities, while also conducting a review of the operational structure to evaluate synergies, optimise scalability and to maximise the potential of Qliro Financial Services. The foundation for future profitable growth will be built on more efficient operations, driven by investments and a structured approach focusing on continuous improvements”, comments Marcus Lindqvist.

Long-term financial targets

- Business area Marketplace
 - Reach an organic gross growth (gross merchandise value - GMV) of, on average, 10 percent per year.
 - Generate an operating profit, before depreciation and amortisation, of 1-2 percent in relation to GMV.
- Business area Fashion
 - Reach an organic growth of, on average, 8 percent per year.
 - Generate an operating margin (EBITDA) of at least 6 percent.
- Business area Financial Services
 - Reach an operating income (EBTDA) of at least SEK 150 million during 2019.

For the business units Lekmer and Gymgrossisten, continuous improvements in operating income and cash flow will be prioritised, as well as continued development of each individual brand.

“The business units Lekmer and Gymgrossisten will be run with a focus on improved profitability and positive cash flow. We will actively pursue potential partnerships to facilitate continued investments and to take advantage of the ongoing consolidation in each sector to generate additional shareholder value”, comments Marcus Lindqvist, CEO of Qliro Group.

This information is such information that Qliro Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 07:58 CET on 25 January 2017.

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About Qliro Group

Qliro Group is a leading e-commerce group in the Nordic region. Since the start in 1999, the Group has expanded and broadened its product portfolio and is now a leading e-commerce player in consumer goods and lifestyle products through CDON.com, Lekmer, Nelly (Nelly.com, NLYman.com, Members.com) and Gymgrossisten (Gymgrossisten.com/Gymsector.com, Bodystore.com, Milebreaker.com and Fitness Market Nordic). The group also comprises the payment and consumer financing solution Qliro. In 2015, the group generated over 4.4 billion SEK in revenue. Qliro Group's shares are listed on Nasdaq Stockholm's Mid-cap list under short name "QLRO".