

Qliro Group decides on new strategic direction – focus on three independent companies to highlight and increase shareholder value

Press release, Stockholm, 7 June 2018

The board of Qliro Group AB (publ) has conducted a strategy review and decided to focus going forward on operating Qliro Financial Services, CDON Marketplace and Nelly – as three fully independent companies. The board of Qliro Group has also decided to evaluate a public listing or divestment of Nelly and potential structural transactions for CDON Marketplace to strengthen its position as the leading Nordic marketplace. Regarding Qliro Financial Services, it has the right conditions to continue growing in its present form. The process is expected to be fully executed at the latest within 24 months.

“Qliro Financial Services, CDON Marketplace and Nelly have begun to reach sufficient size to be able to develop further on their own. Given the maturity of the companies and the strong underlying growth in each area we now believe that it is possible for these companies to stand on their own two feet, thereby creating the best conditions for strengthening the competitiveness of each company. We will also evaluate a public listing or divestment of Nelly and potential structural transactions for CDON Marketplace to strengthen its position as the leading Nordic marketplace”, says Marcus Lindqvist, President and CEO of Qliro Group.

As a consequence of the decision to operate the businesses as independent companies, group functions will be reduced to minimize overhead costs.

The Group’s cash and cash equivalents on 31 March 2018 amounted to SEK 602 million and net cash in the e-commerce operations to SEK 324 million. This provides good conditions for continued investments in the Group’s operations, not the least to develop Qliro Financial Services.

Nelly

Nelly is one of the Nordic region’s best-known online fashion brands among women between the ages of 18 and 29. The core is made up of its own brands which are supplemented by a well-curated portfolio of about 200 external brands. During the first quarter, more than 46 percent of sales comprised own-design products. Nelly, which has demonstrated growth and increasing profitability, has created a strong commitment and loyalty in its target group. The company currently has annual sales of about SEK 1.3 billion, which makes Nelly one of the main players in the Nordic countries. Online fashion is expected to report strong growth in the future, which provides Nelly with favourable growth opportunities.

“Through Nelly, we have a strong and profitable position in fashion for young women in the Nordic region. Based on this foundation, we see opportunities to further strengthen Nelly’s core business, develop new concepts and continue with its geographic expansion”, says Marcus Lindqvist, President and CEO of Qliro Group.

CDON Marketplace

CDON Marketplace is currently the leading Nordic digital marketplace, with more than 1,500 e-retailers with about 90 million visits per year which generate approximately 3.5 million orders from some 1.8 million active consumers. The ongoing transformation to a larger share of

external merchants has broadened the company's range of products and reach while investments in technology and logistics are enabling greater scalability and efficiency. In parallel, CDON Marketplace will benefit from investments in its platform and the marketplace in its launch of sales to the corporate market.

"Consumers turn to CDON.COM to buy different products from a single website and to benefit from low prices, simple payment solutions and efficient delivery. During the first quarter, there was an increase in the number of visits, the number of orders and the number of active customers. The transformation to an external marketplace and drop-shipment provides the right conditions for growth with lower levels of inventory, just as we are investing in technology, logistics and the brand to increase scalability and efficiency," says Marcus Lindqvist, President and CEO of Qliro Group.

Qliro Financial Services

Qliro Financial Services has developed well with a focus on a gradually broadening offering and creating a more attractive customer experience. In the first quarter of the year, operating income rose 38 percent, while the increase in total operating expenses was limited to 29 percent, which demonstrates the scalability of the business model. Today, 40 percent of the business volume is generated by merchants not owned by the group.

The launch of personal loans in Sweden was successful and new customers are being acquired through digital marketing. More than 95 percent of borrowers have a previous relationship with Qliro Financial Services and many apply through Qliro's app. This results in low customer acquisition costs and enables selective credit granting by identifying individuals with favourable creditworthiness. Qliro Financial Services has an opportunity to cost-effectively grow this business, to broaden its offering and to expand in the Nordic countries.

"The rate of innovation in digital financial services is high. To take full advantage of the opportunities in the sector, and to remain at the forefront of technology developments, investments will continue with the ambition to play a larger role in the everyday life of consumers," says Marcus Lindqvist, President and CEO of Qliro Group.

The operations will focus on the Nordic region, which is an attractive market for creditors due to the availability of information and well established processes for loan recovery.

This is the type of information that Qliro Group AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact person set out below on 7 June 2018 at 6:00 p.m. CEST.

For more information, visit www.qlirogroup.com, or contact:

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About Qliro Group

Qliro Group is a leading Nordic e-commerce group in consumer goods, lifestyle products and related financial services. Qliro Group operates the leading Nordic marketplace CDON.COM, the fashion brand Nelly.com and Qliro Financial Services, which offers financial services to traders and consumers. In 2017, the Group reported sales of SEK 3.4 billion. Qliro Group's shares are traded on the Nasdaq Stockholm Mid Cap list under the ticker QLRO.