

## Qliro Group removes its subsidiaries' previous financial targets. The Group's goal is to complete the split-up during 2020

Press release, Stockholm, 14 July 2020

**Qliro Group removes the financial targets and previous guidance for 2020 for its subsidiaries. The Group's goal is to complete the planned split-up during 2020, where Qliro AB, CDON and Nelly will become separately listed companies, and in addition limit the central management costs.**

Qliro AB:s previous targets were set based on a planned IPO with a capital injection, and before Covid-19 impacted the size of the credit loss provisions.

CDON's previous growth target is achieved, and the external merchants' sales is growing significantly faster.

Nelly's previous goals were set based on a planned continued expansion outside the Nordic region. Since then, the company has shifted its focus to the Nordic region and been influenced by Covid-19.

The Group's goal is to complete the planned split-up, where Qliro AB, CDON and Nelly will become separately listed companies, and in addition limit the central management costs.

The previous financial targets and previous guidance are listed below:

### **Qliro AB:s previous financial targets and previous guidance for 2020**

#### Previous financial targets

**Growth.** In the medium term, Qliro AB:s target is to achieve an income growth of 20-25 percent on average per annum.

**Cost.** By growing income and increase its operational efficiency, Qliro AB shall become more cost-effective. Qliro AB:s target is to reach a cost to income ratio of 50 percent by 2023.

**Capital.** In the medium term, Qliro AB shall remain adequately capitalized to support strong growth opportunities. In the longer term, Qliros target is to maintain capital buffers of at least 150 bps over the regulatory requirements.

#### Previous guidance 2020

**Credit Quality.** Qliro AB shall maintain a strong asset quality as the business continues to grow. For the financial year 2020, Qliro AB:s target is a net loan loss level below 1.25 percent of managed PAD volumes (total payment volume with Qliro AB:s own payment methods invoice, and fixed and flexible part payments) and below 2.5 percent of average lending volumes for personal loans.

**Profit before tax.** Qliro AB has a strong focus on continued fast growth in payment solutions and financial services for consumers. In 2019, the company entered into many new partnerships with merchants which are expected to contribute with significant volumes and income in the years ahead. In the near term, the positive impact on operating profit is however limited as the new merchants are onboarded and volumes gradually build up. As a consequence, it was communicated earlier this year that Qliro AB expected negative earnings

before tax for full year 2020, mainly attributable to the first half of the year, until the full effect of new partnerships has materialized.

## **CDON's previous financial targets and guidance for 2020**

Previous financial targets

Achieve a growth rate in external merchants' gross merchandise value above 20 percent per year.

Achieve an operating margin before depreciation, amortization, and impairment above 3 percent of net sales per year.

Previous guidance for 2020

For full year 2020, the assessment is that the gross merchandise value of the external merchants will continue to increase significantly faster than the target and that the operating margin target will be met.

## **Nelly's previous financial targets and guidance for 2020**

Previous financial targets

Achieve organic growth in net sales above 10 percent per year.

Achieve an operating margin before depreciation, amortization, and impairment above 6 percent per year.

Previous guidance 2020

Our assessment for the full year 2020 is that net sales will increase, but not in line with the target and that the operating margin before depreciation, amortization and impairment will be 2-4 percent. Growth is somewhat hampered by the transition to the Nordic region, which together with adjustment of the organization is expected to make a positive contribution to profitability.

*This information is information that Qliro Group AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication through the agency of the below-mentioned contact person at 6.00 p.m. on July 14, 2020.*

## **For further information, please contact:**

Niclas Lilja, Investor Relations

Telephone: +46736511363

E-mail: [ir@qlirogroup.com](mailto:ir@qlirogroup.com)

## **About Qliro Group**

*Qliro Group operates the leading Nordic marketplace CDON, the online fashion brand Nelly.com and Qliro AB that offers financial services to merchants and consumers. In 2019 the Group had sales of SEK 2.9 billion. Qliro Group's shares are listed on the Nasdaq Stockholm Mid-Cap segment under the ticker symbol QLRO.*