

Qliro Group

Half year report for 1 January – 30 June 2018

NEW STRATEGY FOCUSING ON THREE INDEPENDENT COMPANIES

SECOND QUARTER¹

- Net sales increased to SEK 807.0 (805.3) million
- The gross margin increased by 0.9 percentage points to 25.0 (24.1) percent
- Operating income before depreciation, amortization and impairment amounted to SEK 7.7 (27.5) million
- Operating income amounted to SEK -10.3 (9.0) million
- Profit after tax including discontinued operations amounted to SEK -91.7 (-5.3) million including tax and interest expenses of SEK 70 million attributable to CDON Alandia year 2012
- Basic and diluted earnings per share including discontinued operations amounted to SEK -0.61 (-0.04)

FIRST SIX MONTHS¹

- Net sales increased by 1 percent to SEK 1,523.2 (1,510.5) million
- The gross margin increased to 22.2 (22.1) percent
- Operating income before depreciation, amortization and impairment was SEK -35.1 (24.7) million
- Operating income amounted to SEK -69.1 (-10.4) million
- Profit after tax including discontinued operations amounted to SEK -0.7 (-28.2) million
- Basic and diluted earnings per share including discontinued operations amounted to SEK 0.0 (-0.19)
- Cash and cash equivalents increased to SEK 646.3 (495.3) million by the end of the second quarter

| SEK million | 2018 April-June | 2017 April-June | 2018 Jan-June | 2017 Jan-June |
|---|--------------------|--------------------|------------------|------------------|
| Net sales | 807.0 | 805.3 | 1,523.2 | 1,510.5 |
| Gross profit | 202.1 | 194.4 | 337.4 | 334.5 |
| <i>Gross margin</i> | 25.0% | 24.1% | 22.2% | 22.1% |
| Operating income before depreciation, amortization and impairment | 7.7 | 27.5 | -35.1 | 24.7 |
| <i>Operating margin before depreciation, amortization and impairment, %</i> | 1.0% | 3.4% | -2.3% | 1.6% |
| Operating income | -10.3 | 9.0 | -69.1 | -10.4 |
| <i>Operating margin</i> | -1.3% | 1.1% | -4.5% | -0.7% |

¹Lekmer and HSNG are recognized as discontinued operations in the consolidated accounts.

NEW STRATEGY TO FOCUS ON THREE INDEPENDENT COMPANIES

Our new strategic focus is to run Qliro Financial Services, CDON Marketplace and Nelly as three independent companies. Given the maturity of the companies and the strong underlying growth, standing on their own two feet will give the companies the best prospects for strengthening their competitiveness. We have already begun the work to evaluate a listing or sale of Nelly and potential structural transactions for CDON Marketplace to strengthening its position as the leading Nordic marketplace.

Qliro Financial Services increases profitability

Qliro Financial Services has a strong position for continuing its profitable growth. The company is broadening its offering with new services to consumers and merchants across the Nordics. The company has now reached a new level of maturity with over 1.8 million customers and over 40 percent of the business volume from e-merchants that are not owned by the Group. This gives us the right foundation to roll out new services to consumers and merchants, such as personal loans.

The loan book grew by 53 percent in the quarter to more than SEK 1.2 billion with the fastest growth in personal loans. Operating income increased by 36 percent while the increase in the total operating expenses was limited to 27 percent. At the end of the quarter, the organization had the same number of employees as at year-end.

CDON Marketplace accelerates its transformation

CDON Marketplace has achieved a strong position as the leading Nordic online marketplace. The transformation to a marketplace and sales directly from suppliers' warehouses, so-called dropshipment, provide conditions for growth with lower stock levels and thus less tied-up capital over time. At the same time, we continue to invest in technology, logistics and branding to build a profitable company.

CDON Marketplace increased the number of visits and customers in the quarter. We accelerated the transformation to a marketplace and the external merchants increased their sales by 15 percent. Meanwhile, we have begun to phase out our own sales of mainly low-margin home electronics products. This is a natural part of the transformation to a marketplace and will continue in the coming quarters with a negative impact on sales, while creating conditions for higher margins going forward. Consequently, the gross margin rose to 12.2 percent and sales decreased. Operating income was somewhat better than last year.

Nelly returns to profitable growth

Nelly is one of the most well-known fashion brands online among women aged 18 to 29 in the Nordics. At its core is its own brands, complemented by a well-curated portfolio of approximately 200 external brands.

Nelly's efforts to grow led to an increase of 8 percent in visits, 14 percent in the number of orders and 11 percent in the number of customers. Net sales increased 11 percent in the quarter, which is the highest growth since the second quarter of 2015. An important driver was that almost half of all sales were our own designs. The number of returns stabilized during the quarter but remained higher than in 2017. Operating income before depreciation and amortization totaled SEK 29 million.

Financial flexibility

Qliro Group's net sales increased to SEK 807 million and the gross margin strengthened to 25 percent in the quarter. Initiatives increased marketing costs by SEK 11 million. After this, operating income before depreciation and amortization amounted to SEK 7.7 million. We are pleased with developments in Qliro Financial Services and Nelly, as well as with the transformation of CDON Marketplace.

Our three companies have strong positions in dynamic and growing segments of e-commerce, which we combine with a strong financial position. The Group's cash amounted to SEK 646 million and the net cash in the e-commerce business amounted to SEK 389 million. This provides good opportunities for us to further invest in our companies.

Stockholm, 13 July 2018

Marcus Lindqvist, President and CEO

QLIRO FINANCIAL SERVICES INCREASES PROFITABILITY

| SEK million | 2018 | 2017 | Δ | 2018 | 2017 | Δ |
|---|--------------|--------------|------------|---------------|--------------|------------|
| | April-June | April-June | | Jan-June | Jan-June | |
| Interest income | 68.1 | 52.5 | 30% | 132.4 | 101.1 | 31% |
| Interest expense | -3.7 | -4.3 | -12% | -7.4 | -8.5 | -13% |
| Net interest income | 64.3 | 48.3 | 33% | 125.0 | 92.6 | 35% |
| Net fee and commission income | 2.9 | 1.7 | 73% | 6.8 | 3.9 | 74% |
| Other operating income | 4.0 | 2.5 | 60% | 7.6 | 5.2 | 46% |
| Total operating income | 71.2 | 52.5 | 36% | 139.4 | 101.7 | 37% |
| Other operating expenses | -53.0 | -41.5 | | -103.9 | -82.9 | |
| Depreciation, amortization and impairment | -9.4 | -7.4 | | -17.8 | -11.9 | |
| Total operating expenses | -62.4 | -49.0 | | -121.7 | -94.9 | |
| Net credit losses | -12.6 | -9.1 | | -26.2 | -15.0 | |
| Operating income | -3.7 | -5.6 | | -8.5 | -8.2 | |
| Operating income before depreciation, amortization and impairment | 5.7 | 1.9 | 200% | 9.2 | 3.8 | 142% |
| Loans to the public, net | 1,212 | 793 | 53% | 1,212 | 793 | 53% |
| of which sales financing | 1,025 | 793 | 29% | 1,025 | 793 | 29% |
| of which personal loans | 187 | 0 | | 187 | 0 | |
| External financing | 1,065 | 616 | 73% | 1,065 | 616 | 73% |
| of which secured credit facility | 314 | 191 | 64% | 314 | 191 | 64% |
| of which deposits from the public ¹ | 751 | 425 | 77% | 751 | 425 | 77% |
| Sales financing | | | | | | |
| Business volume | 1,270 | 991 | 28% | 2,218 | 1,774 | 25% |
| No. of orders, thousands | 1,201 | 968 | 24% | 2,247 | 1,798 | 25% |
| Average shopping basket, SEK | 1,058 | 1,023 | 3% | 987 | 987 | 0% |
| Personal loans | | | | | | |
| Average loan, SEK thousands | 68 | 0 | | 67 | 0 | |

¹Of which accrued interest was SEK 1.3 (0.0) million

Qliro Financial Services consists of the credit market company Qliro AB, which offers digital financial services to merchants and consumers. The company ensures that e-merchants offer efficient payments with great conversion rates that extends relationships with consumers after their online purchases. Qliro Financial Services benefits from e-merchant volumes and has low customer acquisition costs, which is expected to provide a long-term competitive advantage and contribute to profitability and high return on equity. Qliro Financial Services focuses on the Nordic region, which is an attractive credit market through the availability of individual financial data and established credit recovery processes.

Growing business volume

Qliro Financial Services' total operating income increased 36 percent to SEK 71.2 million in the quarter. This was driven by the loan book, which grew 53 percent to SEK 1,212 million, with the fastest growth in personal loans. Business volume increased 28 percent to SEK 1,270 million. External merchants accounted for more than 40 percent of e-commerce volumes.

SEK 1,025 million of the loan book was invoices, partial payments and installments, and SEK 187 million was personal loans. This was financed cost-effectively with bank credit, savings accounts and equity.

The launch of personal loans in Sweden has been successful through digital marketing to existing customers. Over 95 percent of the 3,100 borrowers had a previous relationship with Qliro Financial Services and many applied through Qliro's app. This gave low customer acquisition costs and provided opportunity for selective credit granting by identifying people with good creditworthiness. The credit scoring is automated and builds on a combination of internal and external data analyzed in real time and refined with machine learning. The personal loans granted had a contractual maturity of just over eight years. Qliro Financial Services has excellent prospects for cost-effectively growing this business.

The number of employees has not increased

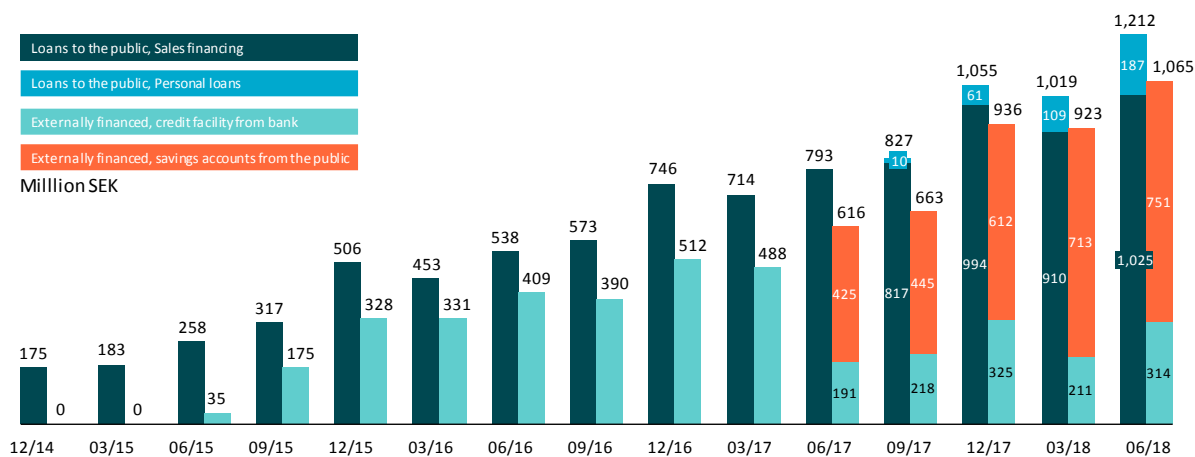
Qliro Financial Services had the same number of employees at the end of the quarter as at year-end. Compared with the second quarter last year, however, the organization has grown, which meant that personnel costs increased by SEK 7 million compared with last year. This resulted in an increase in other operating expenses by 28 percent to SEK -53.0 (-41.5) million.

Depreciation increased by SEK 2 million as the company continued to roll-out its technology platform. The recognized net credit losses increased by SEK 3.5 million to SEK -12.6 million, in line with loan book growth. Operating income before depreciation, amortization and impairment increased to SEK 5.7 (1.9) million.

Capital adequacy and funding

Qliro AB is under the supervision of the Swedish Financial Supervisory Authority (Finansinspektionen). The capital base was SEK 240 million, the total risk exposure was SEK 1,242 million and the core capital ratio was 19.4 percent of the risk exposure amount as of June 30, 2018. Qliro Group is well-capitalized and contributes capital to Qliro AB as needed to support the company’s growth and capital needs.

Besides equity, lending to the public was financed in the amount of SEK 314.2 (191.2) million via a secured credit facility and SEK 751.1 (424.5) million through deposits from the public (savings accounts) in Sweden. Of the deposits from the public, 99.7 percent were protected by the deposit guarantee in Sweden. Of all deposits from the public, 61 percent had floating interest rates and 39 percent had fixed interest rates, with a remaining average maturity of approximately 225 days as of June 30, 2018 (initially 1-year fixed interest rate). Funding through the credit facility is mainly used for lending to the public in other currencies than SEK.



CDON MARKETPLACE ACCELERATES TRANSFORMATION

| SEK million | 2018 | | Δ | 2017 | | Δ |
|---|------------|------------|------|----------|----------|-----|
| | April-June | April-June | | Jan-June | Jan-June | |
| Gross merchandise value, external merchants | 124.8 | 108.6 | 15% | 236.1 | 207.2 | 14% |
| Total gross merchandise value ¹ | 448.1 | 484.6 | -8% | 925.0 | 964.2 | -4% |
| Net sales | 337.5 | 386.8 | -13% | 715.9 | 776.6 | -8% |
| Gross profit | 41.0 | 39.9 | 3% | 80.7 | 81.7 | -1% |
| <i>Gross margin, %</i> | 12.2% | 10.3% | | 11.3% | 10.5% | |
| Operating income before depreciation, amortization and impairment | -11.3 | -12.8 | | -32.5 | -18.9 | |
| <i>Operating margin before depreciation, amortization and impairment, %</i> | -3.3% | -3.3% | | -4.5% | -2.4% | |
| Operating income | -14.7 | -17.9 | | -38.3 | -30.2 | |
| <i>Operating margin, %</i> | -4.4% | -4.6% | | -5.4% | -3.9% | |
| Investments (CAPEX) | -6.1 | -4.1 | | -11.7 | -7.2 | |
| Opening inventory balance | 190.8 | 164.4 | 16% | 254.5 | 186.1 | 37% |
| Closing inventory balance | 176.4 | 166.2 | 6% | 176.4 | 166.2 | 6% |
| Active customers, past twelve months, thousands | 1,804 | 1,711 | 5% | 1,804 | 1,711 | 5% |
| Visits, thousands | 19,657 | 18,480 | 6% | 41,608 | 38,717 | 7% |
| No. of orders, thousands | 682 | 709 | -4% | 1,460 | 1,430 | 2% |
| Average shopping basket, SEK | 651 | 665 | -2% | 628 | 662 | -5% |

¹Commission income included in net sales is replaced with gross merchandise value from external retailers for CDON Marketplace

CDON Marketplace is the leading digital Nordic marketplace. The number of visits and the number of active customers increased in the quarter. The transformation to a marketplace continued and the 1,500 external merchants increased their sales by 15 percent.

Meanwhile, we have begun to phase out our own sales of mainly low-margin home electronics products. This is a natural part of the transformation to a marketplace and will continue in the coming quarters with a negative impact on sales, while creating conditions for higher margins going forward. Consequently, the gross margin increased to 12.2 percent and net sales decreased by 13 percent to SEK 338 million in the quarter.

The transformation to a marketplace and so-called dropshipment (delivery direct to the customer from CDON Marketplace's supplier) leaves room for growth with lower inventory levels. Together, the external merchants and dropshipment accounted for 44 percent of gross merchandise value.

Consumers turn to CDON.COM to purchase various products at the same site as well as to take advantage of affordable prices, easy payments and efficient delivery. During the quarter, the number of visits and number of active customers increased. CDON Marketplace reduced its inventory compared to year-end 2017 and end of the first quarter 2018 but had higher inventory levels compared to end of the second quarter last year. This is due to a delay effect in the phasing out of certain product categories.

During the quarter, the new B2B site was launched to small and medium-sized companies in Sweden. The offering is based on the marketplace model and dropshipment with limited investment in additional inventory. The ambition is to offer an attractive range of products to companies across the Nordic region.

CDON Marketplace continues to invest

CDON Marketplace has achieved a strong position as the leading digital Nordic marketplace. The company continues to invest focusing on automation, expansion of product range and positioning of the brand. Operating income before depreciation, amortization and impairment improved to SEK -11.3 (-12.8) million.

NELLY RETURNS TO PROFITABLE GROWTH

| SEK million | 2018 | | Δ | 2017 | | Δ |
|---|------------|------------|------|----------|----------|------|
| | April-June | April-June | | Jan-June | Jan-June | |
| Net sales | 403.1 | 364.8 | 11% | 679.2 | 631.9 | 7% |
| Gross profit | 117.8 | 119.8 | -2% | 175.8 | 185.8 | -5% |
| Gross margin, % | 29.2% | 32.8% | | 25.9% | 29.4% | |
| Operating income before depreciation, amortization and impairment | 28.6 | 45.8 | -38% | 13.7 | 58.1 | -76% |
| <i>Operating margin before depreciation, amortization and impairment, %</i> | 7.1% | 12.5% | | 2.0% | 9.2% | |
| Operating income | 23.6 | 40.0 | -41% | 3.6 | 46.6 | -92% |
| <i>Operating margin, %</i> | 5.9% | 11.0% | | 0.5% | 7.4% | |
| Investments (CAPEX) | -1.4 | -1.7 | | -2.6 | -3.7 | |
| Opening inventory balance | 257.3 | 201.7 | 28% | 193.0 | 159.8 | 21% |
| Closing inventory balance | 220.1 | 169.6 | 30% | 220.1 | 169.6 | 30% |
| Active customers, past twelve months, thousands | 1,313 | 1,187 | 11% | 1,313 | 1,187 | 11% |
| Visits, thousands | 31,776 | 29,377 | 8% | 59,948 | 53,881 | 11% |
| Orders before returns, thousands | 889 | 779 | 14% | 1,559 | 1,347 | 16% |
| Average shopping basket, SEK | 697 | 685 | 2% | 673 | 674 | 0% |
| Percentage of own brand sales | 48% | 45% | 3 | 47% | 42% | 5 |
| Return ratio, past twelve months | 37% | 34% | 3 | 37% | 34% | 3 |
| Product margin | 52% | 53% | -1 | 49% | 51% | -2 |
| Fulfillment and distribution costs | 19% | 18% | 1 | 20% | 19% | 1 |

Nelly provides fashion for young women through Nelly.com and for men through NLY MAN. Nelly's focus on growth led to an increase of 8 percent in the number of visits, 14 percent in the number of orders and 11 percent in the number of customers. As a result, sales increased 11 percent, which is the highest growth since the second quarter of 2015 and for the quarter in line with the long-term financial target.

Almost 2 percentage points of this was due to delayed deliveries around Easter occurring in the second quarter. The number of returns stabilized during the quarter but remained higher than in 2017. The sale of own brands increased from 45 to 48 percent.

During the quarter, the gross margin was 29 percent compared with 33 percent last year. The change was due to lower product margin as well as higher costs for fulfillment and distribution caused by a higher number of orders and returns.

The company's focus on growth meant that marketing costs increased by SEK 12 million to SEK 44 million, equivalent to 11 percent of sales. Operating profit before depreciation, amortization and impairment was higher than in the first quarter but lower than last year and amounted to SEK 28.6 (45.8) million. This corresponded to a margin of 7.1 percent, which for the quarter was in line with the long-term financial target. Nelly increased its inventory to promote continued growth.

One of the Nordics' strongest fashion brands online

Nelly is one of the most well-known fashion brands online among women aged 18 to 29 in the Nordics. At its core is its own brands, complemented by a well-curated portfolio of approximately 200 external brands. Nelly has attracted a very loyal target group through its own brands and digital marketing.

Nelly's largest markets are Sweden and Norway. The fastest growing market is the Netherlands, which demonstrates that the brand and offering are attractive in several markets.

LONG-TERM FINANCIAL TARGETS

CDON Marketplace

- Attain a level of organic growth in gross merchandise value of an average of 10 per cent per year
- Generate operating income before depreciation, amortization and impairment of 1 – 2 per cent of gross merchandise value

Nelly (including NLYMan)

- Attain a level of organic growth of an average of 8 per cent per year
- Generate an operating margin before depreciation, amortization and impairment of at least 6 per cent

Qliro Financial Services

- Reach operating income before depreciation, amortization and impairment of at least SEK 150 million in 2019

SIGNIFICANT EVENTS DURING AND AFTER THE SECOND QUARTER

Qliro Group commented on Nelly and CDON Marketplace

On April 5, Qliro Group announced that Nelly's order intake increased during the first quarter, but that sales growth was limited due to delayed deliveries and increased returns, and that earnings were affected by increased investments. It was also announced that the CDON Marketplace adjusted its organization.

Management changes

During the quarter, Anna Ullman Sersé was appointed Interim Head of Nelly and Lena Hackelöer was appointed Interim Head of Qliro Financial Services.

Qliro Group issued and repurchased C shares

On April 27, Qliro Group completed an issue and immediate repurchase of 4,550,000 C shares for distribution to participants in the long-term incentive program. On 30 June, the number of shares was 154,994,779, of which 149,694,779 common shares and 5,300,000 C shares. The C shares are held by Qliro Group.

Helsinki Administrative Court mainly rejected CDON Alandia's claims in Finnish taxation case

On January 5, 2016, Qliro Group announced that the tax administration in Finland decided to place an additional tax on CDON Alandia (a Qliro Group company in Åland) for the 2012 fiscal year. CDON Alandia appealed against the decision to the Helsinki Administrative Court, which announced on May 18, 2018, that it mainly rejected CDON Alandia's claims. Consequently, a tax expense of SEK 57 million and an interest expense of SEK 13 million were recognized in the second quarter of 2018. The amount had been paid in advance. CDON Alandia is considering appealing to the Finnish Supreme Administrative Court.

Qliro Group concluded CEO and CFO participation in 2016 and 2017 incentive programs

On May 31, 2018, Qliro Group announced that CEO and CFO participation in the 2016 and 2017 incentive programs (PSP 2016 and 2017) did not comply with the rules applicable in a consolidated situation (see below). To dismantle these programs, the CEO was issued 264,479 shares and the CFO was issued 155,987 shares. The CEO now holds 449,479 shares and the CFO holds 235,987 shares.

New strategic focus on three independent companies to increase shareholder value

On June 7, 2018, it was announced that Qliro Group had decided to focus on running Qliro Financial Services, CDON Marketplace and Nelly as three independent companies. Work to evaluate a listing or sale of Nelly and potential structural transactions for CDON Marketplace has begun. Qliro Financial Services has the right conditions to continue growing in its present form. The process was expected to be completed within 2 years.

Consolidated situation

A consolidated situation arises when subsidiary Qliro AB (credit market company under the supervision of Finansinspektionen) constitutes the main business of the Group. At the end of the quarter, Qliro AB accounted for more than half of the Group's total assets. The Group assesses that this implies a consolidated situation, which have been reported to Finansinspektionen. The consolidated situation involves the parent company Qliro Group AB and Qliro AB, which means that certain rules for the credit market company also apply to the parent company, such as the Capital Requirements Directive. The consolidated situation (parent company and Qliro AB) was well-capitalized as of June 30, 2018.

GROUP

Continuing operations are recognized in this report (including historical comparative figures in income statements and cash flow reports) unless otherwise stated. Lekmer and HSNG are recognized as discontinued operations.

Net sales increased to SEK 807.0 million (805.3) in the quarter, of which SEK 444.0 (465.5) million in Sweden, SEK 274.3 (256.6) million in the rest of the Nordic region and SEK 88.8 (83,3) million in the rest of the world. Half-year net sales increased by nearly 1 percent to SEK 1,523.2 (1,510.5) million. Exchange rate fluctuations added 1 percent sales for both the quarter and the half-year.

The gross margin increased by nearly one percentage point to 25.0 (24.1) percent for the quarter and amounted to 22.2 (22.1) percent for the half-year. The gross margin increased for CDON Marketplace and decreased for Nelly.

During the quarter, the Group was affected by certain events, such as tax and interest expenses of SEK 70 million attributable to CDON Alandia from 2012, a change in Nelly's management of SEK 3 million and the discontinuation of CEO and CFO incentive programs of SEK 6 million.

Operating income before depreciation, amortization and impairment was SEK 7.7 (27.5) million for the quarter and SEK -35.1 (24.7) million for the half-year. Operating income was SEK -10.3 (9.0) million for the quarter and SEK -69.1 (-10.4) million for the half-year.

Net financial items amounted to SEK -20.5 (-3.7) million for the quarter and SEK -24.2 (-2.8) million for the half-year. During the second quarter, an interest expense of SEK 13 million (paid in 2017 or earlier) was recognized due to the ruling of the Helsinki Administrative Court, see page 10. In addition, the Group paid interest on its outstanding bond.

Profit/loss before tax amounted to SEK -30.8 (5.4) million for the quarter and SEK -93.4 (-13.2) million for the half-year. Recognized tax expense amounted to SEK -56.6 (-0.9) million for the quarter and SEK -42.6 (2.9) million for the half-year. In the second quarter, a tax expense of SEK 57 million (paid in 2017 or earlier) was recognized due to the ruling of the Helsinki Administrative Court, see page 10.

Profit/loss after tax amounted to SEK -87.4 (4.4) million for the quarter and SEK -136.0 (-10.3) million for the half-year. Profit/loss after tax for the total of continuing and discontinued operations was SEK -91.7 (-5.3) million for the quarter and SEK -0.7 (-28.2) million for the half-year. Earnings per share for the total of continuing and discontinued operations, before and after dilution, amounted to SEK -0.61 (-0.04) for the quarter and 0.00 (-0.19) for the half-year.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK -13.3 (24.1) million for the quarter and SEK -85.4 (20.9) million for the half-year, of which e-commerce operations accounted for SEK -17.7 (22,7) million for the quarter and SEK -69.4 million (16.3) for the half-year and Qliro Financial Services accounted for SEK 4.4 million (1.4) for the quarter and SEK -16.0 (4.6) million for the half-year.

Cash flow from changes in working capital in e-commerce operations amounted to SEK 111.0 (238.7) million for the quarter and SEK -151.9 (30.7) million for the half-year. CDON Marketplace decreased its inventory during the first half of the year, but it increased compared with the same period last year. Nelly increased its inventory to promote continued growth.

Cash flow from changes in working capital in Qliro Financial Services amounted to SEK -51.5 (26.6) million for the quarter and SEK -91.1 (43.1) million for the half-year. This was made up of a combination of increased loans to the public (invoices, partial payments, installments and personal loans), deposits from the public (savings accounts) and utilization of credit facilities.

Consolidated cash generated from operations after changes in working capital amounted to SEK 46.1 (289.4) million for the quarter and SEK -328.4 (94.7) million for the half-year. Investments in non-current assets amounted to SEK -21.3 (-28.1) million for the quarter and SEK -43.3 (-50.5) million for the half-year. Investments were made mainly in Qliro Financial Services and CDON Marketplace.

Cash flow from divestment of operations amounted to SEK 19.2 (0.0) million for the quarter and SEK 387.2 (0.0) million for the half-year, consisting mainly of cash from HSNG in the first quarter and final payment for Lekmer in the second quarter. Cash flow from financing activities amounted to SEK 0.0 (0.0) million for the quarter and SEK 0.0 (-2.5) million for the half-year.

Cash and cash equivalents amounted to SEK 646.3 (495.3) million at the end of the second quarter. Cash and cash equivalents in e-commerce operations amounted to SEK 638.8 (489.5) million. Adjusted for the outstanding bond of SEK 250.0 (250.0) million, net cash in e-commerce operations amounted to SEK 388.8 (239.5) million.

Total assets at the end of the second quarter amounted to SEK 2,985.6 (2,631.5) million. The divestments of Lekmer in 2017 and HSNG in 2018 decreased consolidated assets compared with the previous year, which was offset by Qliro Financial Services' increased lending to the public. Equity amounted to SEK 985.1 (1,001.0) million.

Discontinued operations

Qliro Group divested Lekmer AB in the third quarter of 2017 and Health and Sports Nutrition Group HSNG AB in the first quarter of 2018. These companies are recognized as discontinued operations in the Group. Continuing operations are recognized in this report (including historical comparative figures in income statements and cash flow reports) unless otherwise stated.

HSNG was valued at SEK 360 million on a debt-free basis with normalized working capital. Profit from the divestment of shares excluding transaction-related costs was SEK 140.6 million in the first quarter. Earnings after tax for discontinued operations amounted to SEK -4.3 (-9.7) million for the quarter and SEK 135.3 (-18.0) million for the half-year. It consisted mainly of the impact on earnings from HSNG's operating earnings, the impact on earnings from divestment of HSNG and transaction-related expenses.

Parent company

The Qliro Group AB parent company reported sales of SEK 4.1 (7.9) million for the quarter and SEK 9.3 (14.0) million for the half-year. Loss before tax amounted to SEK -20.4 (-69.1) million for the quarter and SEK 110.0 (-76.4) million for the half-year. This included costs of SEK 6.3 million for the quarter for discontinuing CEO and CFO participation in the PSP 2016 and 2017 incentive programs. Cash and cash equivalents in the parent company amounted to SEK 408.7 (472.5) million at the end of the second quarter.

Accounting policies and valuation principles

This report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the parent company has been prepared in accordance with the Annual Accounts Act. The consolidated financial statements were prepared according to the same accounting policies and calculation methods as the 2017 annual accounts.

IFRS 9 primarily affects Qliro Group through Qliro Financial Services' credit loss reserves. According to IFRS 9, reserves for credit losses shall be made directly when a credit is issued, instead of as previously when there is an indication of increased credit risk. From January 1, 2018, reserves for projected credit losses will be made directly at the time of lending with the effect recognized in earnings. Due to the transition to IFRS 9 on January 1, 2018, the reserves increased by SEK 24 million, which affected the balance sheet items equity and lending to the public, but not the income statement. Most of the additional reserves stemmed from credits where at year-end there was no indication of impaired payment ability, and for which no provision had been made in accordance with previous accounting rules.

The implementation and application of IFRS 15 has not lead to any significant changes in revenue recognition since Qliro Group already recognizes revenue in a manner that complies with the requirements of IFRS 15. In accordance with IFRS 15, Qliro Group has increased its reporting of information about the composition of net sales.

Work on IFRS 16 continues, and the status was essentially the same as in the 2017 Annual Report.

Risks and uncertainties

Several factors affect, or may come to affect, directly or indirectly, the operations of the Qliro Group. These factors can be divided into industry and market risks, operational risks, financial risks and legal risks. In addition

to these risks, there are specific risks for Qliro Financial Services. Industry and market risks include market developments in e-commerce, seasonal variations, risks related to fashion trends, the economic situation and consumer purchasing power. Operational risks include interruptions or deficiencies in IT and control systems, supplier relationships, inventories and distribution. Financial risks include currency risk, credit risk, interest rate risk and liquidity risk. Legal risks include legislation and compliance, as well as intellectual property rights. The most prominent risks for Qliro Financial Services include financial risks (see above), business risk/strategic risk and operational risks. Risks to Qliro Financial Services may change as credit market companies are permitted to launch new products. The 2017 annual report contains a more comprehensive description of the risks and uncertainty factors affecting the Group in the Management Report and under Note 21.

CDON Alandia

Finnish customs authorities are investigating a subsidiary of CDON AB, the Åland company CDON Alandia, on suspicion of tax fraud. Like other companies in the industry, CDON.com previously chose to serve its Finnish customers from Åland. Operations have been discontinued. It has been fully transparent for the relevant authorities, who have routinely reviewed it, most recently as part of a customs audit in 2010 and a tax audit in 2012. CDON AB is fully assisting in the investigation and is still of the opinion that the company acts in accordance with relevant laws and regulations.

On January 5, 2016, Qliro Group announced that the tax administration in Finland decided to place an additional tax on CDON Alandia for the 2012 fiscal year. CDON Alandia appealed against the decision to the Helsinki Administrative Court, which announced on May 18, 2018, that it largely rejected CDON Alandia's claims. Consequently, a tax expense of SEK 57 million and an interest expense of SEK 13 million were recognized by Qliro Group in the second quarter of 2018. The entire amount had been paid to Finnish authorities in 2017 or earlier. The administrative court's decision is deemed to not have any further adverse effect on Qliro Group's cash flow. CDON Alandia and its advisers are considering applying for leave for appeal to the Finnish Supreme Administrative Court.

Transactions with related parties

Transactions with related parties are presently of the same character as described in the 2017 annual report.

Interim report third quarter 2018

Qliro Group's interim report for the third quarter will be published on Friday, October 19, 2018.

2018 Annual General Meeting

On May 22, Qliro Group AB held its Annual General Meeting in Stockholm, at which all proposals from the Board and the Nomination Committee were approved. The Annual General Meeting re-elected Board members Christoffer Häggblom, Daniel Mytnik, Erika Söderberg Johnson and Jessica Pedroni Thorell, and appointed Andreas Bernström and Lennart Jacobsen as new Board members. Christoffer Häggblom was also elected as new chairman of the board. KPMG AB was re-elected as auditor.

Dividend

The 2018 AGM resolved that no dividend be paid to shareholders for the fiscal year ended 31 December 2017, and that retained earnings be carried forward into the 2018 accounts.

The Board's assurance

The Board of Directors and the Chief Executive Officer certify that this undersigned six months interim report provides a true and fair overview of the parent company and Group's operations, financial position and performance for the period, and describes the material risks and uncertainties facing the parent company and other companies in the Group.

Stockholm, 13 July 2018

Christoffer Häggblom
Chairman

Daniel Mytnik
Director

Erika Söderberg Johnson
Director

Jessica Pedroni Thorell
Director

Andreas Bernström
Director

Lennart Jacobsen
Director

Marcus Lindqvist
CEO

This report was not subject to review by the Group's auditor.

Qliro Group AB (publ.)
Registered office: Stockholm
Corporate Identification number: 556035-6940
Postal address: Box 195 25, SE-104 32 Stockholm, Sweden
Street address: Sveavägen 151, 113 46, Stockholm, Sweden

Conference call

Analysts, investors and the media are invited to a conference call today at 10 a.m. To participate in the conference call, please dial:

Sweden +46 8 5033 6574

UK +44 330 336 9105

US +1 646 828 8156

PIN code to participate: 8635179

The presentation material and webcast will be published at www.qlirogroup.com.

For additional information, please visit www.qlirogroup.com or contact:

Marcus Lindqvist, President and CEO

Niclas Lilja, Investor Relations

Telephone: +46 736 511 363

ir@qlirogroup.com

About Qliro Group

Qliro Group is a leading Nordic e-commerce group in consumer goods and related financial services. Qliro Group operates CDON.COM, the leading Nordic online marketplace, the fashion brand Nelly and Qliro Financial Services, offering financial services to merchants and consumers. In 2017 the Group had sales of SEK 3.4 billion. Qliro Group's shares are listed on the Nasdaq Stockholm MidCap segment under the ticker symbol QLRO.

This information is information that Qliro Group AB is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was released for publication through the agency of the above-mentioned contacts at 8:00 a.m. on July 13, 2018.

| Consolidated Income Statement, second quarter SEK million | E-commerce | | Qliro FS | | Eliminations ¹ | | Qliro Group | |
|---|--------------|--------------|-------------|-------------|---------------------------|------------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net sales | 740.6 | 753.9 | 68.2 | 52.5 | -1.8 | -1.1 | 807.0 | 805.3 |
| Cost of goods and services | -581.8 | -591.9 | -24.4 | -20.2 | 1.2 | 1.2 | -604.9 | -610.9 |
| Gross profit | 158.8 | 162.0 | 43.8 | 32.3 | -0.5 | 0.1 | 202.1 | 194.4 |
| Sales and administration expenses | -169.7 | -150.4 | -54.1 | -41.9 | 5.4 | 1.5 | -218.3 | -190.9 |
| Other operating income and expenses, net | 4.8 | 3.0 | 6.6 | 4.1 | -5.4 | -1.5 | 5.9 | 5.6 |
| Operating profit or loss | -6.1 | 14.5 | -3.7 | -5.6 | -0.5 | 0.1 | -10.3 | 9.0 |
| Net interest & other financial items | -20.3 | -3.6 | -0.2 | -0.1 | - | - | -20.5 | -3.7 |
| Net profit or loss before tax | -26.4 | 10.9 | -3.9 | -5.6 | -0.5 | 0.1 | -30.8 | 5.4 |
| Tax | | | | | | | -56.6 | -0.9 |
| Net profit or loss for continued operations | | | | | | | -87.4 | 4.4 |
| Net profit or loss for discontinued operations | | | | | | | -4.3 | -9.7 |
| Total net profit or loss for continued and discontinued operations | | | | | | | -91.7 | -5.3 |
| <i>Attributable to:</i> | | | | | | | | |
| Equity holders of the parent | | | | | | | -91.7 | -5.3 |
| Non-controlling interests | | | | | | | - | - |
| Net income for the period | | | | | | | -91.7 | -5.3 |
| Basic earnings per share excluding discontinued operations before dilution, SEK | | | | | | | -0.58 | 0.03 |
| Basic earnings per share including discontinued operations before dilution, SEK | | | | | | | -0.61 | -0.04 |
| Basic earnings per share excluding discontinued operations after dilution, SEK | | | | | | | -0.58 | 0.03 |
| Basic earnings per share including discontinued operations after dilution, SEK | | | | | | | -0.61 | -0.04 |

¹Including adjustment related to differences in phasing of costs/revenues

| Consolidated statement of comprehensive income, second quarter SEK million | Qliro Group | |
|---|--------------|-------------|
| | 2018 | 2017 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Translation difference for the period | 0.9 | -0.8 |
| Total comprehensive income for period | -90.8 | -6.2 |
| <i>Total comprehensive income attributable to:</i> | | |
| Parent company shareholders | -90.8 | -6.2 |
| Non-controlling interests | - | - |
| Total comprehensive income for the period | -90.8 | -6.2 |
| Shares outstanding at period's end, basic, million | 149.7 | 149.3 |
| Shares outstanding at period's end, diluted, million | 151.0 | 149.3 |
| Average number of shares, basic, million | 149.7 | 149.3 |
| Average number of shares, diluted, million | 151.0 | 149.3 |

| Consolidated income statement, first two quarters | | | | | | | Qliro Group | |
|---|--------------|--------------|-------------|-------------|---------------------------|-------------|---------------|--------------|
| SEK million | E-commerce | | Qliro FS | | Eliminations ¹ | | 2018 | 2017 |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net sales | 1,395.3 | 1,412.9 | 132.6 | 101.1 | -4.7 | -3.4 | 1,523.2 | 1,510.5 |
| Cost of goods and services | -1,138.6 | -1,141.1 | -49.4 | -37.1 | 2.3 | 2.1 | -1,185.7 | -1,176.1 |
| Gross profit | 256.7 | 271.7 | 83.2 | 64.0 | -2.4 | -1.3 | 337.4 | 334.5 |
| Sales and administration expenses | -322.0 | -277.8 | -105.5 | -80.9 | 8.5 | 2.9 | -419.0 | -355.8 |
| Other operating income and expenses, net | 7.2 | 5.1 | 13.7 | 8.8 | -8.5 | -2.9 | 12.4 | 11.0 |
| Operating profit or loss | -58.2 | -1.0 | -8.5 | -8.1 | -2.4 | -1.3 | -69.1 | -10.4 |
| Net interest & other financial items | -23.8 | -2.7 | -0.5 | -0.1 | - | - | -24.2 | -2.8 |
| Net profit or loss before tax | -82.0 | -3.7 | -9.0 | -8.2 | -2.4 | -1.3 | -93.4 | -13.2 |
| Tax | | | | | | | -42.6 | 2.9 |
| Net profit or loss for continued operations | | | | | | | -136.0 | -10.3 |
| Net profit or loss for discontinued operations | | | | | | | 135.3 | -18.0 |
| Total net profit or loss for continued and discontinued operations | | | | | | | -0.7 | -28.2 |
| <i>Attributable to:</i> | | | | | | | | |
| Equity holders of the parent | | | | | | | -0.7 | -28.2 |
| Non-controlling interests | | | | | | | - | - |
| Net income for the period | | | | | | | -0.7 | -28.2 |
| Basic earnings per share excluding discontinued operations before dilution, SEK | | | | | | | -0.91 | -0.07 |
| Basic earnings per share including discontinued operations before dilution, SEK | | | | | | | 0.00 | -0.19 |
| Basic earnings per share excluding discontinued operations after dilution, SEK ² | | | | | | | -0.91 | -0.07 |
| Basic earnings per share including discontinued operations after dilution, SEK | | | | | | | 0.00 | -0.19 |

¹ Including group adjustment related to differences in phasing of costs/revenues

² Diluted earnings per share are adjusted and shows basic earnings per share

| Consolidated statement of comprehensive income, first two quarters | | Qliro Group | |
|---|--|-------------|--------------|
| SEK million | | 2018 | 2017 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Translation difference for the period | | 4.4 | -0.5 |
| Total comprehensive income for period | | 3.8 | -28.8 |
| <i>Total comprehensive income attributable to:</i> | | | |
| Parent company shareholders | | 3.8 | -28.8 |
| Non-controlling interests | | - | - |
| Total comprehensive income for the period | | 3.8 | -28.8 |
| Shares outstanding at period's end, million | | 149.7 | 149.3 |
| Shares outstanding at period's end, diluted, million | | 151.0 | 149.3 |
| Average number of shares, basic, million | | 149.7 | 149.3 |
| Average number of shares, diluted, million | | 151.0 | 149.3 |

Qliro FS is used as an abbreviation for Qliro Financial Services.

| Consolidated Statement of financial position SEK million | E-commerce | | Qliro FS | | Eliminations | | Qliro Group | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 30-jun 2018 | 30-jun 2017 | 30-jun 2018 | 30-jun 2017 | 30-jun 2018 | 30-jun 2017 | 30-jun 2018 | 30-jun 2017 |
| Non-current assets | | | | | | | | |
| Goodwill | 64.3 | 203.9 | - | - | - | - | 64.3 | 203.9 |
| Other intangible assets | 84.8 | 150.2 | 142.4 | 109.5 | - | - | 227.2 | 259.7 |
| Total intangible assets | 149.2 | 354.2 | 142.4 | 109.5 | - | - | 291.6 | 463.7 |
| Tangible assets | 10.6 | 13.4 | 10.4 | 13.5 | - | - | 21.0 | 27.0 |
| Deferred tax asset | 121.6 | 127.3 | 1.9 | 1.8 | - | - | 123.6 | 129.1 |
| Total non-current assets | 281.4 | 494.9 | 154.7 | 124.8 | - | - | 436.1 | 619.7 |
| Current assets | | | | | | | | |
| Inventories | 396.5 | 415.7 | - | - | - | - | 396.5 | 415.7 |
| Loans to the public | - | - | 1,212.4 | 792.9 | - | - | 1,212.4 | 792.9 |
| Current interest-bearing investments | - | - | 165.2 | 40.1 | - | - | 165.2 | 40.1 |
| Current non-interest bearing receivables | 122.4 | 262.1 | 12.1 | 9.6 | -5.4 | -3.8 | 129.0 | 267.9 |
| Cash and cash equivalents | 638.8 | 489.5 | 7.5 | 5.7 | - | - | 646.3 | 495.3 |
| Total current assets | 1,157.7 | 1,167.3 | 1,397.2 | 848.2 | -5.4 | -3.8 | 2,549.5 | 2,011.8 |
| Total assets | 1,439.1 | 1,662.2 | 1,551.9 | 973.0 | -5.4 | -3.8 | 2,985.6 | 2,631.5 |
| Equity | | | | | | | | |
| Equity attributable to owners of the parent | 600.5 | 706.1 | 384.7 | 295.0 | - | - | 985.1 | 1,001.0 |
| Total equity | 600.5 | 706.1 | 384.7 | 295.0 | - | - | 985.1 | 1,001.0 |
| Non-current liabilities | | | | | | | | |
| <i>Non interest bearing</i> | | | | | | | | |
| Deferred tax liability | - | 11.2 | - | - | - | - | - | 11.2 |
| Other provisions | 4.4 | 1.3 | - | - | - | - | 4.4 | 1.3 |
| <i>Interest bearing</i> | | | | | | | | |
| Loan Facility | - | - | 314.2 | 191.2 | - | - | 314.2 | 191.2 |
| Bond | 250.0 | 250.0 | - | - | - | - | 250.0 | 250.0 |
| Financial leasing liabilities | - | - | 1.4 | 3.7 | - | - | 1.4 | 3.7 |
| Total non-current liabilities | 254.4 | 262.5 | 315.5 | 194.9 | - | - | 569.9 | 457.5 |
| Current liabilities | | | | | | | | |
| Deposits from the public | - | - | 749.8 | 424.5 | - | - | 749.8 | 424.5 |
| Financial leasing liabilities | - | - | 2.3 | 2.3 | - | - | 2.3 | 2.3 |
| Current non-interest bearing liabilities | 584.3 | 693.6 | 99.6 | 56.3 | -5.4 | -3.8 | 678.5 | 746.2 |
| Total current liabilities | 584.3 | 693.6 | 851.7 | 483.1 | -5.4 | -3.8 | 1,430.5 | 1,173.0 |
| Total equity and liabilities | 1,439.1 | 1,662.2 | 1,551.9 | 973.0 | -5.4 | -3.8 | 2,985.6 | 2,631.5 |

The carrying amounts are considered to be reasonable approximations of fair value for all financial assets and financial liabilities.

| SEK million | Equity attributable to parent company shareholders | | | | | | |
|---|--|-----------------------------|----------------------|--|----------------|--------------------------|----------------|
| | Equity | Other capital contributions | Trans-lation reserve | Retained earnings incl. Profit/loss for the year | Total | Non-controlling interest | Total equity |
| Closing balance 2017-12-31 | 300.9 | 1,077.4 | -3.9 | -364.7 | 1,009.6 | 0.0 | 1,009.6 |
| Change of accounting principle (IAS 39) | - | - | - | -23.5 | -23.5 | - | -23.5 |
| Opening balance 2018-01-01 | 300.9 | 1,077.4 | -3.9 | -388.2 | 986.2 | - | 986.1 |

| Statement of changes in equity SEK million | 2018 | 2017 | 2017 |
|---|--------------|----------------|----------------|
| | 30-jun | 30-jun | 31-dec |
| Opening balance | 986.2 | 1,026.2 | 1,026.2 |
| Comprehensive income for the period | 3.8 | -28.8 | -23.9 |
| Effects of long term incentive program | -4.7 | 3.6 | 7.9 |
| Divestment of minority | - | - | -0.6 |
| Closing balance | 985.1 | 1,001.0 | 1,009.6 |

| Consolidated statement of cash flow, second quarter SEK million | E-commerce | | Qliro FS | | Eliminations | | Qliro Group | |
|--|--------------|--------------|--------------|--------------|--------------|----------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Cash flow from operating activities before changes in working capital | -17.7 | 22.7 | 4.4 | 1.4 | - | - | -13.3 | 24.1 |
| Changes in working capital ¹ | 111.0 | 238.7 | -51.5 | 26.6 | - | - | 59.4 | 265.3 |
| Cash flow from operations | 93.3 | 261.4 | -47.1 | 28.0 | - | - | 46.1 | 289.4 |
| Investments in non-current assets | -7.5 | -5.8 | -13.8 | -22.3 | - | - | -21.3 | -28.1 |
| Divested operations ² | 19.2 | - | - | - | - | - | 19.2 | - |
| Cash flow to/from investing activities | 11.6 | -5.8 | -13.8 | -22.3 | - | - | -2.1 | -28.1 |
| Shares contribution, net change | -40.0 | - | 40.0 | - | - | - | - | - |
| Cash flow to/from financing activities | -40.0 | - | 40.0 | - | - | - | - | - |
| Change in cash and cash equivalents for the period from continued operations | 64.9 | 255.7 | -20.9 | 5.7 | - | - | 44.0 | 261.4 |
| <i>Cash flow from discontinued operations</i> | | | | | | | | |
| Cash flow from operations | - | 104.1 | - | - | - | - | - | 104.1 |
| Cash flow from investing activities | - | -1.0 | - | - | - | - | - | -1.0 |
| Cash flow from financing activities | - | - | - | - | - | - | - | - |
| Change in cash and cash equivalents for the period from discontinued operations | - | 103.1 | - | - | - | - | - | 103.1 |
| Change in cash and cash equivalents for the period | 64.9 | 358.8 | -20.9 | 5.7 | - | - | 44.0 | 364.5 |
| Cash and cash equivalents at period's start | | | | | | | 601.9 | 156.9 |
| Translation difference, cash and cash equivalents | | | | | | | 0.3 | 0.1 |
| Less cash from discontinued operations | | | | | | | - | -26.2 |
| Cash and cash equivalents at period's end | | | | | | | 646.3 | 495.3 |

¹ Utilised credit facilities, deposits to the public and loans to the public within Qliro FS are reported as changes in working capital

² Divested operations Apr-Jun 2018 comprises primarily consideration related to the sale of Lekmer AB

| Consolidated statement of cash flow, first two quarters SEK million | E-commerce | | Qliro FS | | Eliminations | | Qliro Group | |
|--|---------------|--------------|---------------|--------------|--------------|----------|---------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Cash flow from operating activities before changes in working capital | -69.4 | 16.3 | -16.0 | 4.6 | - | - | -85.4 | 20.9 |
| Changes in working capital ¹ | -151.9 | 30.7 | -91.1 | 43.1 | - | - | -243.0 | 73.8 |
| Cash flow from operations | -221.3 | 47.0 | -107.1 | 47.7 | - | - | -328.4 | 94.7 |
| Investments in non-current assets | -15.0 | -10.9 | -28.3 | -39.6 | - | - | -43.3 | -50.5 |
| Divested operations ² | 387.2 | - | - | - | - | - | 387.2 | - |
| Cash flow to/from investing activities | 372.3 | -10.9 | -28.3 | -39.6 | - | - | 344.0 | -50.5 |
| Shareholder contribution, net change | -70.0 | - | 70.0 | - | - | - | - | - |
| Group contribution, net change | -2.0 | -0.1 | 2.0 | -2.4 | - | - | - | -2.5 |
| Cash flow to/from financing activities | -72.0 | -0.1 | 72.0 | -2.4 | - | - | 0.0 | -2.5 |
| Change in cash and cash equivalents for the period from continued operations | 78.9 | 36.0 | -63.4 | 5.7 | - | - | 15.5 | 41.7 |
| <i>Cash flow from discontinued operations</i> | | | | | | | | |
| Cash flow from operations | 13.9 | 44.4 | - | - | - | - | 13.9 | 44.4 |
| Cash flow from investing activities | -0.6 | -2.1 | - | - | - | - | -0.6 | -2.1 |
| Cash flow from financing activities | - | 2.5 | - | - | - | - | - | 2.5 |
| Change in cash and cash equivalents for the period from discontinued operations | 13.3 | 44.8 | - | - | - | - | 13.3 | 44.8 |
| Change in cash and cash equivalents for the period | 92.2 | 80.8 | -63.4 | 5.7 | - | - | 28.9 | 86.5 |
| Cash and cash equivalents at period's start | | | | | | | 631.1 | 435.2 |
| Translation difference, cash and cash equivalents | | | | | | | 1.1 | -0.3 |
| Less cash from discontinued operations | | | | | | | -14.7 | -26.2 |
| Cash and cash equivalents at period's end | | | | | | | 646.3 | 495.3 |

¹ Utilised credit facilities within Qliro FS are reported as changes in working capital

² Divested operations Jan-Jun 2018 comprises consideration related to the sale of Health and Sports Nutrition Group HSNB AB, Lekmer AB and Tretti AB

| Net Sales by segment | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|--|--------------|--------------|----------------|----------------|--------------|--------------|--------------|----------------|----------------|
| SEK million | Q2 | Q1 | Jan-Jun | Q4 | Q3 | Q2 | Q1 | Jan-Jun | Full year |
| CDON | 337.5 | 378.4 | 715.9 | 733.1 | 353.5 | 386.8 | 389.8 | 776.6 | 1,863.2 |
| Nelly | 403.2 | 276.0 | 679.2 | 400.3 | 277.5 | 364.8 | 267.1 | 631.9 | 1,309.7 |
| Group central operations | 0.1 | 1.7 | 1.8 | 2.4 | 2.1 | 2.5 | 1.3 | 3.8 | 8.3 |
| Eliminations within e-commerce | -0.1 | -1.4 | -1.6 | -1.2 | -0.8 | -0.1 | 0.7 | 0.7 | -1.4 |
| Total e-commerce | 740.6 | 654.7 | 1,395.3 | 1,134.6 | 632.3 | 753.9 | 659.0 | 1,412.9 | 3,179.8 |
| Qliro Financial Services | 68.2 | 64.4 | 132.6 | 64.1 | 54.9 | 52.5 | 48.5 | 101.1 | 220.1 |
| Total Qliro Financial Services | 68.2 | 64.4 | 132.6 | 64.1 | 54.9 | 52.5 | 48.5 | 101.1 | 220.1 |
| Eliminations between e-commerce and Qliro Financial Services | -1.3 | -1.0 | -2.3 | -1.6 | -1.1 | -1.2 | -0.9 | -2.1 | -4.9 |
| Group adjustment ¹ | -0.5 | -1.9 | -2.4 | 2.7 | 0.2 | 0.1 | -1.4 | -1.3 | 1.6 |
| Qliro Group Consolidated Total | 807.0 | 716.2 | 1,523.2 | 1,199.8 | 686.4 | 805.3 | 705.3 | 1,510.5 | 3,396.7 |

| Eliminations within e-commerce | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---|------------|------------|------------|------------|------------|------------|------------|-------------|------------|
| SEK million | Q2 | Q1 | Jan-Jun | Q4 | Q3 | Q2 | Q1 | Jan-Jun | Full year |
| CDON | - | - | - | 0.1 | 0.1 | 0.5 | 0.5 | 1.0 | 1.1 |
| Nelly | -0.1 | -1.4 | -1.6 | -1.2 | -0.8 | -0.1 | 0.7 | -1.6 | -1.4 |
| Group central operations | 0.1 | 1.4 | 1.6 | 1.1 | 0.7 | -0.4 | -1.2 | -1.6 | 0.2 |
| Total eliminations within E-commerce | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2.3 | 0.0 |

| Eliminations between e-commerce and Qliro Financial Services | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| SEK million | Q2 | Q1 | Jan-Jun | Q4 | Q3 | Q2 | Q1 | Jan-Jun | Full year |
| CDON | 0.6 | 0.7 | 1.3 | 1.2 | 0.8 | 0.8 | 0.6 | 1.4 | 3.4 |
| Nelly | 0.7 | 0.3 | 1.0 | 0.4 | 0.3 | 0.4 | 0.2 | 0.6 | 1.3 |
| Group central operations | 0.0 | - | - | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.2 |
| Qliro Financial Services | -1.3 | -1.0 | -2.3 | -1.6 | -1.1 | -1.2 | -0.9 | -2.1 | -4.9 |
| Total eliminations between e-commerce and Qliro Financial Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Operating profit by segment | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|---------------------------------------|--------------|--------------|--------------|-------------|-------------|-------------|--------------|--------------|-------------|
| SEK million | Q2 | Q1 | Jan-Jun | Q4 | Q3 | Q2 | Q1 | Jan-Jun | Full year |
| CDON | -14.7 | -23.6 | -38.3 | 6.2 | -16.3 | -17.9 | -12.3 | -30.2 | -40.3 |
| Nelly | 23.6 | -20.0 | 3.6 | 34.4 | 18.2 | 40.0 | 6.6 | 46.6 | 99.2 |
| Group central operations | -15.0 | -8.5 | -23.4 | -10.7 | -10.2 | -7.6 | -9.8 | -17.4 | -38.2 |
| Total e-commerce | -6.1 | -52.1 | -58.2 | 29.9 | -8.3 | 14.5 | -15.5 | -1.0 | 20.6 |
| Qliro Financial Services | -3.7 | -4.8 | -8.5 | 3.0 | 3.6 | -5.6 | -2.6 | -8.1 | -1.5 |
| Total Qliro Financial Services | -3.7 | -4.8 | -8.5 | 3.0 | 3.6 | -5.6 | -2.6 | -8.1 | -1.5 |
| Group adjustment ¹ | -0.5 | -1.9 | -2.4 | 2.7 | 0.2 | 0.1 | -1.4 | -1.3 | 1.6 |
| Qliro Group Consolidated Total | -10.3 | -58.8 | -69.1 | 35.6 | -4.4 | 9.0 | -19.4 | -10.4 | 20.7 |

| Inventories by segment | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| SEK million | 30-Jun | 31-Mar | 31-Dec | 30-Sep | 30-Jun | 31-Mar |
| CDON | 176.4 | 190.8 | 254.5 | 169.4 | 166.2 | 164.4 |
| Nelly | 220.1 | 257.3 | 193.0 | 234.0 | 169.6 | 201.7 |
| Total e-commerce | 396.5 | 448.1 | 447.5 | 403.4 | 335.8 | 366.1 |
| Qliro Group Consolidated total for continued operations | 396.5 | 448.1 | 447.5 | 403.4 | 335.8 | 366.1 |
| Qliro Group Consolidated total for continued and discontinued operations² | 396.5 | 448.1 | 550.4 | 484.2 | 415.7 | 556.1 |

¹ Group adjustment between Qliro Financial Services and internal clients, related to differences in phasing of costs/revenues.

² Including divested operations (Health and Sports Nutrition Group HSNG AB and Lekmer AB)

| Parent company income statement | | | | | |
|---|--------------|--------------|--------------|--------------|---------------|
| SEK million | 2018 | 2017 | 2018 | 2017 | 2017 |
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun | Jan-Dec |
| Net sales | 4.1 | 7.9 | 9.3 | 14.0 | 27.1 |
| Gross profit | 4.1 | 7.9 | 9.3 | 14.0 | 27.1 |
| Administration expenses | -16.0 | -15.7 | -23.7 | -31.7 | -65.6 |
| Operating profit or loss | -11.8 | -7.7 | -14.4 | -17.7 | -38.5 |
| Profit or loss from shares in subsidiaries ¹ | -4.3 | -58.9 | 135.4 | -58.9 | -76.3 |
| Net interest & other financial items | -4.3 | -2.5 | -10.9 | 0.1 | -2.4 |
| Profit or loss after financial items | -20.4 | -69.1 | 110.0 | -76.4 | -117.3 |
| Group contribution received | - | - | - | - | 127.0 |
| Group contribution paid | - | - | - | - | -51.3 |
| Profit or loss before tax | -20.4 | -69.1 | 110.0 | -76.4 | -41.6 |
| Tax | 1.2 | 2.3 | 3.0 | 3.8 | -7.9 |
| Net income or net loss for the period | -19.3 | -67.0 | 113.0 | -72.6 | -49.4 |
| Parent company statement of comprehensive income | | | | | |
| SEK million | | | | | |
| Profit or loss for period | -19.3 | -67.0 | 113.0 | -72.6 | -49.4 |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for period | -19.3 | -67.0 | 113.0 | -72.6 | -49.4 |

¹Profit/loss from shares in subsidiaries consists primarily of capital gains from the divestment of Health and Sports Nutrition

| Parent company statement of financial position SEK million | 2018 30/jun | 2017 30-jun | 2017 31/dec |
|---|----------------|----------------|----------------|
| Non-current assets | | | |
| Other intangible assets | - | - | 0.1 |
| Equipment | 1.1 | 1.3 | 1.5 |
| Shares and participating interests in group companies | 725.4 | 738.6 | 797.6 |
| Deferred tax asset | 109.3 | 118.0 | 106.3 |
| Total non-current assets | 835.9 | 857.9 | 905.5 |
| Current assets | | | |
| Current non-interest-bearing receivables | 6.7 | 49.6 | 31.1 |
| Receivables from group companies | 106.6 | 143.3 | 164.4 |
| Total current receivables | 113.2 | 193.0 | 195.4 |
| Cash and bank | 408.7 | 472.5 | 545.1 |
| Total cash and cash equivalents | 408.7 | 472.5 | 545.1 |
| Total current assets | 521.9 | 665.4 | 740.6 |
| Total assets | 1,357.8 | 1,523.3 | 1,646.1 |
| Equity | | | |
| Restricted equity | 310.8 | 301.7 | 301.7 |
| Unrestricted equity | 767.6 | 640.9 | 668.4 |
| Total equity | 1,078.4 | 942.6 | 970.1 |
| Provisions | | | |
| Other provisions | 4.4 | 2.0 | 3.2 |
| Total provisions | 4.4 | 2.0 | 3.2 |
| Non-current liabilities | | | |
| Bond | 250.0 | 250.0 | 250.0 |
| Total non-current liabilities | 250.0 | 250.0 | 250.0 |
| Current liabilities | | | |
| Liabilities to group companies | - | 285.7 | 375.9 |
| Non-interest-bearing liabilities | 25.0 | 43.1 | 47.0 |
| Total current liabilities | 25.0 | 328.7 | 422.9 |
| Total liabilities | 279.4 | 580.7 | 676.1 |
| Total equity and liabilities | 1,357.8 | 1,523.3 | 1,646.1 |

| Key ratios | 2018 | 2018 | 2018 | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 |
|--|--------|--------|---------|--------|--------|--------|--------|---------|-----------|
| | Q2 | Q1 | Jan-Jun | Q4 | Q3 | Q2 | Q1 | Jan-Jun | Full year |
| E-commerce | | | | | | | | | |
| Net debt, SEK million | -388.8 | -323.5 | -388.8 | -303.8 | -112.2 | -239.5 | -156.9 | -239.5 | -303.8 |
| Cdon | | | | | | | | | |
| No. of active customers, thousand | 1,804 | 1,800 | 1,804 | 1,772 | 1,723 | 1,711 | 1,683 | 1,711 | 1,772 |
| No. of visits, thousand | 19,657 | 21,951 | 41,608 | 33,472 | 18,245 | 18,480 | 20,237 | 38,717 | 90,434 |
| No. of orders, thousand | 682 | 778 | 1,460 | 1,323 | 663 | 709 | 721 | 1,430 | 3,416 |
| Average shopping basket, SEK | 651 | 608 | 628 | 665 | 665 | 665 | 659 | 662 | 664 |
| Nelly | | | | | | | | | |
| No. of active customers, thousand | 1,313 | 1,265 | 1,313 | 1,217 | 1,178 | 1,187 | 1,229 | 1,187 | 1,217 |
| No. of visits, thousand | 31,776 | 28,172 | 59,948 | 32,948 | 23,408 | 29,377 | 24,504 | 53,881 | 110,237 |
| No. of orders, thousand | 889 | 670 | 1,559 | 905 | 580 | 779 | 568 | 1,347 | 2,832 |
| Average shopping basket, SEK ¹ | 697 | 642 | 673 | 635 | 701 | 685 | 659 | 674 | 667 |
| Qliro Financial Services | | | | | | | | | |
| Net debt, SEK million | 894.9 | 757.9 | 894.9 | 870.4 | 596.3 | 616.0 | 489.0 | 616.0 | 870.4 |
| Group | | | | | | | | | |
| Net debt, SEK million | 506.1 | 434.3 | 506.1 | 566.6 | 484.2 | 376.4 | 332.1 | 376.4 | 566.6 |
| Basic earnings per share before and after dilution, SEK ² | -0.58 | -0.33 | -0.91 | 0.30 | 0.00 | 0.03 | -0.10 | -0.07 | 0.19 |
| Equity per share, SEK ³ | 6.58 | 7.24 | 6.58 | 6.76 | 6.76 | 6.71 | 6.73 | 6.71 | 6.76 |
| No. of active customers, thousand | 3,117 | 3,065 | 3,117 | 2,989 | 2,901 | 2,898 | 2,912 | 2,898 | 2,989 |
| No. of visits, thousand | 51,433 | 50,123 | 101,556 | 66,420 | 41,653 | 47,857 | 44,741 | 92,598 | 200,671 |
| No. of orders, thousand | 1,571 | 1,448 | 3,019 | 2,228 | 1,243 | 1,488 | 1,289 | 2,777 | 6,248 |
| Average shopping basket, SEK | 677 | 624 | 573 | 653 | 682 | 675 | 659 | 668 | 665 |

Key ratios have been adjusted to enable historical comparisons for continued operations

¹ Calculation method based on order value

² Basic Earnings per share for the periods Jan-Jun 2018 have been calculated on the average number of outstanding shares for the respective periods. The weighted average number of shares before dilution for the second quarter 2018 is 149,694,779. The weighted average number of shares after dilution for the second quarter is 151,020,258. The dilution is due to Qliro Group's performance share program.

³ Calculated on present number of shares, which per June 2018 amounts to 149,694,779.

DEFINITIONS

| | |
|-----------------------------|--|
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes, depreciation and amortization of intangible assets and property, plant, and equipment |
| EBT | Earnings before tax |
| EBTDA | Earnings before taxes, depreciation and amortization |
| Net debt (+)/Net cash (-) | Interest-bearing liabilities less interest bearing current and non-current assets and cash and cash equivalents |
| Earnings per share | Earnings for the year attributable to owners of the parent for the period divided by average number of shares for the period |
| Equity per share | Equity attributable to owners of the parent divided by number of shares at the end of the period |
| Number of active customers | Number of customers who have made a purchase at least once in the past 12 months |
| Number of visits | Gross number of visits to the Group's online stores |
| Average shopping basket | (Online sales + shipping revenue)/number of orders placed |
| Own funds | The sum of Tier 1 capital and Tier 2 capital for capital adequacy purposes |
| Risk exposure amount | Total risk-weighted exposure amounts are the sum of credit risks, currency risks and operational risks |
| Minimum capital requirement | The institution must meet the following capital requirements: <ul style="list-style-type: none"> i) Common equity Tier 1 capital ratio of 4.5% ii) Tier 1 capital ratio of 6% iii) Total capital ratio of 8% as per the Capital Requirements Regulation, Article 92 |
| Combined buffer requirement | The total Common Equity Tier 1 capital required to meet the requirement for the capital conservation buffer and an institution-specific countercyclical capital buffer pursuant to Article 128 of the Capital Requirements Directive |
| Capital ratio | Own funds expressed as a percentage of the total risk exposure amount pursuant to Article 92 of the Capital Requirements Regulation |

ALTERNATIVE PERFORMANCE MEASURES

Certain key ratios stated in this report are not defined according to generally accepted accounting principles (GAAP), for example IFRS. These alternative performance measures are considered useful to investors because they form the basis for assessing operational performance, along with the comparable GAAP ratios. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. Alternative performance measures may not be comparable to similar measures reported by other companies.

Earnings before interest, taxes, depreciation, amortization and impairment of intangible and tangible assets.

| Q2 2018 | | | | | | | |
|---|--------------|-------------|--------------|------------|------------|-------------|------------|
| SEK million | CDON | Nelly | Central | E-commerc | Qliro FS | Adjustment | Group |
| Earnings before interest and taxes | -14.7 | 23.6 | -15.0 | -6.1 | -3.7 | -0.5 | -10.3 |
| Depreciation, amortization and impairment | -3.4 | -5.0 | -0.2 | -8.6 | -9.4 | - | -18.0 |
| Earnings before interest, taxes, depreciation, amortization and impairment | -11.3 | 28.6 | -14.8 | 2.5 | 5.7 | -0.5 | 7.7 |

| Q2 2017 | | | | | | | |
|---|--------------|-------------|-------------|-------------|------------|------------|-------------|
| SEK million | CDON | Nelly | Central | E-commerc | Qliro FS | Adjustment | Group |
| Earnings before interest and taxes | -17.9 | 40.0 | -7.6 | 14.5 | -5.6 | 0.1 | 9.0 |
| Depreciation, amortization and impairment | -5.1 | -5.8 | -0.2 | -11.0 | -7.4 | - | -18.4 |
| Earnings before interest, taxes, depreciation, amortization and impairment | -12.8 | 45.8 | -7.5 | 25.5 | 1.9 | 0.1 | 27.5 |

| Jan-Jun 2018 | | | | | | | |
|---|--------------|-------------|--------------|--------------|------------|-------------|--------------|
| SEK million | CDON | Nelly | Central | E-commerc | Qliro FS | Adjustment | Group |
| Earnings before interest and taxes | -38.3 | 3.6 | -23.4 | -58.2 | -8.5 | -2.4 | -69.1 |
| Depreciation, amortization and impairment | -5.8 | -10.1 | -0.4 | -16.3 | -17.8 | - | -34.1 |
| Earnings before interest, taxes, depreciation, amortization and impairment | -32.5 | 13.7 | -23.1 | -41.9 | 9.2 | -2.4 | -35.1 |

| Jan-Jun 2017 | | | | | | | |
|---|--------------|-------------|--------------|-------------|------------|-------------|-------------|
| SEK million | CDON | Nelly | Central | E-commerc | Qliro FS | Adjustment | Group |
| Earnings before interest and taxes | -30.2 | 46.6 | -17.4 | -1.0 | -8.1 | -1.3 | -10.4 |
| Depreciation, amortization and impairment | -11.4 | -11.4 | -0.4 | -23.2 | -12.0 | - | -35.1 |
| Earnings before interest, taxes, depreciation, amortization and impairment | -18.9 | 58.1 | -17.0 | 22.2 | 3.8 | -1.3 | 24.7 |

¹Non-GAAP financial measures are shown for continued operations

Note 1

Disclosures in accordance with IAS 34.16A are found on the pages before the income statement and statement of other comprehensive income.

Note 2

On January 30, 2018, Qliro Group AB (publ) sold Health and Sports Nutrition Group HSNG AB to Orkla. HSNG AB was valued at SEK 360 million on a debt-free basis with a normalized working capital. On June 30, 2017, Qliro Group AB (publ) completed the sale of Lekmer AB to Babyshop Sthlm Holding AB. The purchase price was obtained on two occasions in December 2017 respectively on April 2018. HSNG and Lekmer remains partners with Qliro Financial Services and CDON Marketplace after the transaction.

The table below refers to the sale of Health and Sports Nutrition HSNG AB and Lekmer AB. These activities are presented as discontinued operations in the Group.

| Discontinued operations | | | | |
|---|-------------|--------------|--------------|--------------|
| Group | 2018 | 2017 | 2018 | 2017 |
| SEK million | Q2 | Q2 | Jan-Jun | Jan-Jun |
| Income | - | 265.9 | 70.4 | 560.3 |
| Expenses | - | -278.6 | -69.4 | -583.6 |
| Profit/loss before tax | - | -12.7 | 1.0 | -23.3 |
| Tax | - | 2.9 | -0.3 | 5.2 |
| Profit/loss after tax but before capital gains from sale of operations | - | -9.8 | 0.7 | -18.1 |
| Result from sales of shares incl. cost for disposal | -4.3 | 0.1 | 134.6 | 0.1 |
| Profit/loss from discontinued operations after tax | -4.3 | -9.7 | 135.3 | -18.0 |

| Group | 2018 | 2017 | 2018 | 2017 |
|---|------|--------------|-------------|-------------|
| SEK million | Q2 | Q2 | Jan-Jun | Jan-Jun |
| Net cash flow from discontinued operations | | | | |
| Cash flow from operations | - | 104.1 | 13.9 | 44.4 |
| Cash flow from investing activities | - | -1.0 | -0.6 | -2.1 |
| Cash flow from financing activities | - | - | - | 2.5 |
| Net cash flow from discontinued operations | - | 103.1 | 13.3 | 44.8 |

| Group | 2018 | 2017 | 2018 | 2017 |
|--|-------------|--------------|---------------|--------------|
| SEK million | Q2 | Q2 | Jan-Jun | Jan-Jun |
| Divested assets and liabilities | | | | |
| Intangible assets | - | -16.2 | -212.8 | -16.2 |
| Tangible assets | - | -0.9 | -3.0 | -0.9 |
| Deferred tax receivable | - | -15.4 | - | -15.4 |
| Inventories | - | -82.2 | -96.1 | -82.2 |
| Current non-interest bearing receivables | - | -6.6 | -50.8 | -6.6 |
| Cash and cash equivalents | - | -26.2 | -14.7 | -26.2 |
| Deferred tax liability | - | 1.1 | 10.8 | 1.1 |
| Current non-interest bearing liabilities | - | 135.0 | 139.3 | 135.0 |
| Net assets and liabilities | - | -11.3 | -227.4 | -11.3 |
| Received purchase price | 19.2 | - | 387.2 | - |
| Accrued purchase price | - | 35.4 | - | 35.4 |
| Less cash from discontinued operations | - | -26.2 | -14.7 | -26.2 |
| Change in cash and cash equivalents | 19.2 | -26.2 | 372.5 | -26.2 |

Note 3

The Group is divided into three segments. CDON Marketplace is the leading Nordic marketplace online. Nelly is a digital fashion house offering fashion for women through Nelly.com and for men via NLY MAN. Qliro Financial Services provides financial services to merchants and consumers

The Group's segments operate mainly in the Nordics. Net sales are recognized below per geographical area, as the countries have different business conditions. The geographical division Sweden, Other Nordics and the rest of the world reflects where revenue is generated in the Group.

Net sales in CDON and Nelly mainly consist of online sales. Qliro Financial Services' net sales consist of interest income (gross). Sales are recognized by country of sale, that is, the country in which the recipient is located.

Sales by geographic area

| Q2 2018 | | | | | | | |
|--------------------------------|--------------|--------------|-------------|--------------------------|--------------|------------------|--------------------------|
| SEK million | CDON | Nelly | Qliro FS | Group central operations | Eliminations | Group adjustment | Group consolidated total |
| Sweden | 200.0 | 196.8 | 49.0 | 0.1 | -1.5 | -0.5 | 444.0 |
| Other nordics | 98.1 | 157.0 | 19.2 | - | - | - | 274.3 |
| Nordics | 298.1 | 353.8 | 68.2 | 0.1 | -1.5 | -0.5 | 718.2 |
| Rest of the world ¹ | 39.4 | 49.4 | - | - | - | - | 88.8 |
| Total | 337.5 | 403.2 | 68.2 | 0.1 | -1.5 | -0.5 | 807.0 |

| Q2 2017 | | | | | | | |
|--------------------------------|--------------|--------------|-------------|--------------------------|--------------|------------------|--------------------------|
| SEK million | CDON | Nelly | Qliro FS | Group central operations | Eliminations | Group adjustment | Group consolidated total |
| Sweden | 229.5 | 194.6 | 40.1 | 2.5 | -1.3 | 0.1 | 465.5 |
| Other nordics | 111.9 | 132.2 | 12.4 | - | - | - | 256.6 |
| Nordics | 341.4 | 326.8 | 52.5 | 2.5 | -1.3 | 0.1 | 722.0 |
| Rest of the world ¹ | 45.4 | 37.9 | - | - | - | - | 83.3 |
| Total | 386.8 | 364.8 | 52.5 | 2.5 | -1.3 | 0.1 | 805.3 |

| Jan-Jun 2018 | | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------------------|--------------|------------------|--------------------------|
| SEK million | CDON | Nelly | Qliro FS | Group central operations | Eliminations | Group adjustment | Group consolidated total |
| Sweden | 429.2 | 331.8 | 94.2 | 1.8 | -3.9 | -2.4 | 850.7 |
| Other nordics | 197.2 | 267.0 | 38.4 | - | - | - | 502.6 |
| Nordics | 626.4 | 598.8 | 132.6 | 1.8 | -3.9 | -2.4 | 1,353.2 |
| Rest of the world ¹ | 89.5 | 80.4 | - | - | - | - | 169.9 |
| Total | 715.9 | 679.2 | 132.6 | 1.8 | -3.9 | -2.4 | 1,523.2 |

| Jan-Jun 2017 | | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------------------|--------------|------------------|--------------------------|
| SEK million | CDON | Nelly | Qliro FS | Group central operations | Eliminations | Group adjustment | Group consolidated total |
| Sweden | 440.3 | 330.5 | 78.2 | 3.8 | -1.4 | -1.3 | 850.1 |
| Other nordics | 239.1 | 236.8 | 22.9 | - | - | - | 498.7 |
| Nordics | 679.5 | 567.2 | 101.1 | 3.8 | -1.4 | -1.3 | 1,348.8 |
| Rest of the world ¹ | 97.1 | 64.7 | - | - | - | - | 161.8 |
| Total | 776.6 | 631.9 | 101.1 | 3.8 | -1.4 | -1.3 | 1,510.5 |

¹Includes mainly sales in Europé

Qliro AB's publication of information regarding capital adequacy and liquidity management

The information is presented for Qliro AB (556962-2441) as of June 30, 2018, in accordance with Regulation (EU) 575/2013 and the Swedish Financial Supervisory Authority's (FI) regulations and general guidelines (FFFS 2014: 12).

| Own funds | SEK in thousands |
|------------------------------|------------------|
| Common Equity Tier 1 capital | 240,359 |
| Additional Tier 1 capital | - |
| Tier 2 capital | - |
| Total capital | 240,359 |

| Risk exposure amount | SEK in thousands |
|--|------------------|
| Credit risk according to standardized approach, of which | 951,475 |
| exposure to households | 848,513 |
| exposure to corporates | 20,436 |
| exposures in default | 70,606 |
| exposure to institutions | 1,500 |
| other exposures | 10,421 |
| Market risk | - |
| Operational risk according to basic indicator approach | 290,242 |
| Total risk exposure amount | 1,241,717 |

| Capital requirement | SEK in thousands |
|---|------------------|
| Total minimum capital requirement | 99,337 |
| Internally assessed required capital | 21,629 |
| Combined buffer requirement | 63,507 |
| Total capital requirements, excl. combined buffer requirement | 120,967 |
| Total capital requirements, incl. combined buffer requirement | 184,474 |

| Capital adequacy analysis | % of REA |
|---|----------|
| Common Equity Tier 1 capital ratio | 19.4% |
| Tier 1 capital ratio | 19.4% |
| Total capital ratio | 19.4% |
| Leverage ratio | 17.1% |
| Combined buffer requirement | 5.1% |
| of which: capital conservation buffer requirement | 2.5% |
| of which: countercyclical buffer requirement | 1.7% |
| of which: capital planning buffer | 0.9% |

Funding

Net lending to the public amounted to SEK 1,212 (793) million at the end of the year. The lending was financed by the amount of SEK 314 (191) million via a secured contracted credit facility and SEK 751 (425) million through deposits from the public (savings accounts) in Sweden, of which 99.7 percent are protected by the deposit insurance scheme in Sweden. Deposits from the public were divided into 61 percent on demand with variable rate and 39 percent fixed interest rate with a duration of 225 days as of June 30, 2018 (initially 1-year fixed rate). 23 percent of the deposit portfolio is held as liquidity reserve.

Liquidity

As of June 30, 2018, Qliro AB's liquidity reserve amounted to SEK 173 million of which SEK 165 million was investment in Swedish municipal bonds and commercial papers and SEK 7 million in a Nordic bank. Average rating of the liquidity reserve was AA+ and had average maturity of 122 days. As of June 30, 2018, Qliro AB had a liquidity coverage ratio of 650 percent. This measures Qliro AB's highly liquid assets amounting to SEK 165 million related to net outflows of SEK 25 million over a thirty-day period under strained market conditions. A statutory limit for the liquidity coverage ratio of 100 percent applies. In addition to the liquidity reserve as of June 30, 2018, Qliro AB had SEK 356 million in additional liquidity via undrawn funding in a secured contracted credit facility.