

Qliro Group

Interim report for 1 January – 31 March 2019

ALL COMPANIES IMPROVED EARNINGS

FIRST QUARTER¹

- Net sales amounted to SEK 639.8 (716.1) million
 - Qliro Financial Services' total operating income increased 26 percent
 - CDON Marketplace' external merchant sales increased 36 percent while net sales decreased 31 percent in line with transformation
 - Nelly's net sales increased 10 percent
- Improved earnings in all companies
 - Qliro Financial Services' operating profit before depreciation and amortization grew to SEK 14.0 (3.5) million
 - CDON Marketplace' gross margin increased to 16.8 (10.5) percent and gross profit increased by 11 percent
 - Nelly's product margin increased to 48 (46) percent and gross profit increased by 19 percent
- Operating income improved to SEK -33.5 (-58.8) million
- Earnings per share including discontinued operations amounted to SEK -0.30 (0.61) before dilution and -0.29 (0.60) after dilution
- The Board of Directors proposes that no dividend be paid for the financial year 2018

SEK million	2019 Jan-Mar	2018 Jan-Mar	Δ
Net sales	639.8	716.1	-11%
Gross profit	161.5	135.3	19%
<i>Gross margin, %</i>	25.2	18.9	6.3 P/E
Operating income before depreciation and amortization	-13.2	-42.7	
<i>Operating margin before depreciation and amortization, %</i>	-2.1	-6.0	3.9 P/E
Operating income	-33.5	-58.8	
<i>Operating margin, %</i>	-5.2	-8.2	2.9 P/E

¹HNSG is recognized as a discontinued operation in the consolidated accounts.

ALL COMPANIES IMPROVED EARNINGS

In the first quarter, Qliro Financial Services successfully recruited new merchants, CDON Marketplace increased sales for external merchants and Nelly showed strong growth in net sales. We have also greatly increased Qliro Financial Services' loan book, further improved the efficiency in CDON Marketplace and digitalized Nelly's returns process. All three companies improved their operating result and strengthened their market positions during the quarter. Also, our strategic efforts to establish three independent subsidiaries continues according to plan.

Three independent companies

Since June 2018, Qliro Group's strategy has been to run Qliro Financial Services, CDON Marketplace and Nelly as three independent companies. This creates the best conditions for the companies to succeed, thereby increasing shareholder value. Group management is focusing on getting the companies ready for listing while evaluating potential transactions. Work is underway to separate the companies' IT and accounting systems and they should be operationally and structurally independent in the first half of 2019 and ready for listing in the second half.

Qliro Financial Services' operating profit improved sharply

Qliro Financial Services' loan book grew by 49 percent to more than SEK 1.5 billion with the fastest growth in personal loans. Total operating income increased by 26 percent while total operating expenses increased by 17 percent, manifesting the scalability of the business model. Operating income before depreciation, amortization and impairment improved by 295 percent to SEK 14 million.

Qliro Financial Services' commercial initiatives are effective and during the quarter the company entered partnerships with several merchants such as Eleven, Nordicfeel, Baresso, Best of Brands, Dollarstore, inkClub.com, dammsugarpåsar.nu, dinVitamin.com and others. Qliro Financial Services is well positioned to continue to benefit from the underlying market growth of e-commerce.

CDON Marketplace increased sales for external merchants and gross profit

External merchants' sales on CDON Marketplace increased by 36 percent, and we see a continued strong trend in the second quarter. Commission revenue increased by 32 percent, which helped boost gross profit by 11 percent to SEK 44 million. At the same time, salary costs decreased significantly as the company benefits from its IT platform and increased automation. Operating income before depreciation, amortization and impairment amounted to SEK -7 (-21) million in the seasonally weak first quarter.

CDON Marketplace is accelerating its transition to the marketplace model that is more capital efficient, scalable and profitable.

Nelly increased sales and gross profit

Nelly's sales increased by 10 percent, the number of customers by 7 percent and the average shopping basket by 11 percent. Gross profit increased by 19 percent to SEK 69 million. Operating income before depreciation, amortization and impairment improved to SEK -7 (-15) million in the seasonally weak first quarter.

Nelly digitalized its returns process during the quarter and successfully launched its own brand via Zalando throughout Europe, with most sales in markets that complement Nelly's own range. The company continues to develop its NLYbyNelly brand and benefits from successful customer recruitment and strong customer loyalty.

Financial flexibility

Qliro Group has a strong financial position and during the quarter we lowered our debt by repaying the SEK 250 million bond loan. Qliro Financial Services has several sources for future funding and net cash in the e-commerce business totalled SEK 205 million. Our companies have strong positions and are driving forces in e-commerce and related financial services in the Nordics.

Marcus Lindqvist
President and CEO, Stockholm, 17 April 2019

QLIRO FINANCIAL SERVICES IMPROVED OPERATING RESULT

SEK million	2019	2018	Δ
	Jan-Mar	Jan-Mar	
Interest income	78.9	64.3	23%
Interest expense	-6.2	-3.7	69%
Net interest income	72.7	60.7	20%
Net fee and commission income	4.9	3.9	25%
Other operating income	8.5	3.6	135%
Total operating income	86.0	68.1	26%
Other operating expenses	-58.2	-50.9	14%
Depreciation, amortization and impairment	-11.5	-8.3	38%
Total operating expenses	-69.6	-59.3	17%
Net expected credit losses	-13.9	-13.7	
Operating profit/loss	2.5	-4.8	
Operating profit before depr and amortization	14.0	3.5	295%
Net loans to the public	1,514	1,019	49%
of which sales financing	1,091	910	20%
of which personal loans	423	109	289%
External financing	1,384	923	50%
of which deposits from the public ¹	962	713	35%
of which secured credit facility	422	211	100%
Sales financing			
Business volume	1,089	947	15%
No. of orders, thousands	1,227	1,046	17%
Average shopping basket, SEK	887	905	-2%
Personal loans			
Average personal loans, SEK thousands	78	65	20%

¹Of which accrued interest was SEK 3.2 (1.3) million

Financial services to merchants and consumers

Qliro Financial Services consists of the credit market company Qliro AB, which is under the supervision of the Swedish Financial Supervisory Authority (FI) and offers digital financial services to merchants and consumers.

The strategy is to offer a payment solution to merchants while utilizing transaction volume and customer relationships to offer digital financial services to consumers. The payment solution ensures that e-merchants get good conversion rates, offer secure payments and receive financial income. E-commerce volumes help lower customer acquisition costs for consumer services, which is expected to provide a long-term competitive advantage and contribute to profitability and high return on equity.

Qliro Financial Services operates in the Nordic region, which is an attractive credit market through the availability of individual financial information and established credit recovery processes.

New merchants and growing business volume

Qliro Financial Services focuses on attracting more merchants, capitalizing on existing services and continuing to strengthen the Nordic offering. Last year, the company increased its commercial investments and strengthened the teams that are working to attract new merchants and develop the offering. These initiatives have been successful and during the quarter contracts were signed with several merchants such as Eleven, Nordicfeel, Baresso, Best of Brands, Dollarstore and iPiccolo, which runs inkClub.com, dammsugarpåsar.nu, dinVitamin.com and others.

Business volume increased by 15 percent to SEK 1,089 million, even though Qliro Financial Services' volumes from CDON Marketplace declined by 17 percent due to the phaseout of sales from own stock in line with its transition to the marketplace model. Merchants that are not part of the Qliro Group accounted for about half of e-commerce volume. This share is expected to increase as new merchants are onboarded.

Rapid growth in the loan book, especially in personal loans

Total operating income increased by 26 percent to SEK 86 million driven by the loan book, which grew by 49 percent to SEK 1,514 million with the fastest growth in personal loans. SEK 1,091 million of the loan book was invoices, partial payments and instalments, and SEK 423 million was personal loans.

Growth within personal loans is driven by digital marketing to existing customers. Over 95 percent of the borrowers had an existing relationship with Qliro Financial Services, and many applied through Qliro's app. This

resulted in low customer acquisition costs and a chance to restrict credit granting by identifying people with good creditworthiness. Credit assessments are automated and based on a combination of internal and external data that is analyzed in real time using machine learning. The personal loans paid out had an average contractual maturity of just over eight years. The company has good prospects for cost-effectively growing the personal loan business.

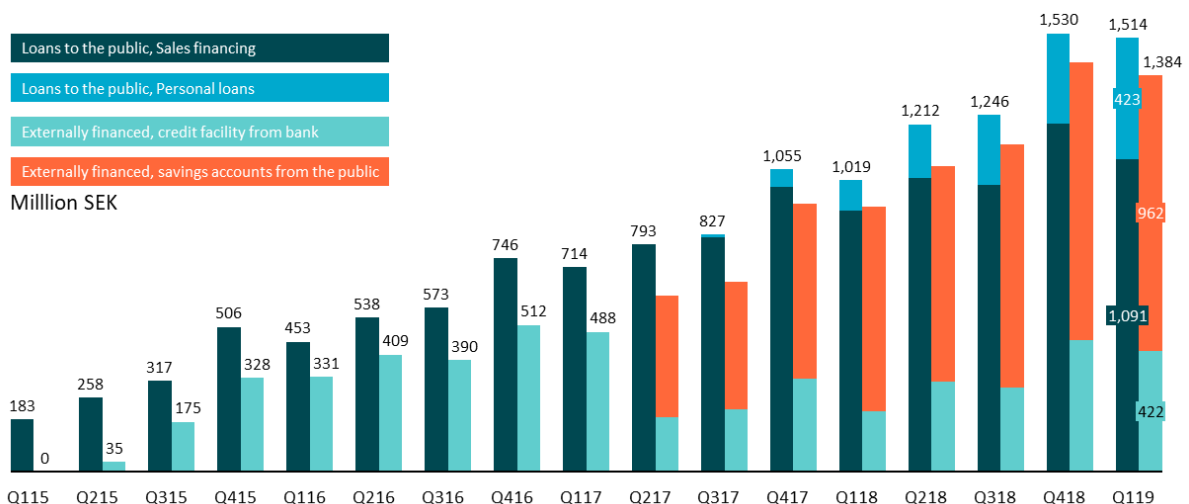
Rapid increase in operating profit before depreciation

Qliro Financial Services has reached sufficient scale to cost-effectively manage significant growth in the loan book. Employee costs increased by SEK 2 million after the company strengthened certain key functions in the second half of 2018. Depreciation increased by SEK 3 million as the technology platform was rolled out and more projects were commissioned. Net expected credit losses were in line with the previous year despite strong growth in the loan book.

Total operating expenses increased by 17 percent. Operating income grew much faster, which resulted in operating profit before depreciation, amortization and impairment improving by 295 percent to SEK 14.0 (3.5) million.

Capital adequacy and funding

Qliro AB's capital base was SEK 281.2 million, its total risk exposure was SEK 1 634.5 million and its Common Equity Tier 1 capital ratio was 17.2 percent of the risk exposure as of March 31, 2019. Besides equity, lending to the public was financed in the amount of SEK 421.9 (210.5) million via a secured credit facility and SEK 962.5 (712.9) million through deposits from the public (savings accounts) in Sweden. Of the deposits from the public, 99.8 percent were protected by the deposit guarantee in Sweden. Of all deposits from the public, the remaining average maturity was approximately 207 days as of March 31, 2019. Funding through the loan facility is mainly used for lending to the public in foreign currencies.



CDON MARKETPLACE INCREASED GROSS PROFIT

SEK million	2019		2018	Δ
	Jan-Mar	Jan-Mar	Jan-Mar	
Gross merchandise value, external merchants	150.8	111.2	36%	
Total gross merchandise value ¹	394.5	476.9	-17%	
Net sales	260.6	378.4	-31%	
Gross profit	43.8	39.6	11%	
<i>Gross margin, %</i>	<i>16.8%</i>	<i>10.5%</i>	<i>6.3%</i>	
Operating income before depreciation, amortization and impairment	-7.0	-21.2	-67%	
<i>Operating margin before depreciation, amortization and impairment, %</i>	<i>-2.7%</i>	<i>-5.6%</i>	<i>2.9%</i>	
Operating income	-10.4	-23.6	-56%	
<i>Operating margin, %</i>	<i>-4.0%</i>	<i>-6.2%</i>	<i>2.3%</i>	
Investments	-7.0	-5.6		
Opening inventory balance	176.7	254.5	-31%	
Closing inventory balance	131.8	190.8	-31%	
Active customers, past twelve months, thousands	1,761	1,800	-2%	
Visits, thousands	22,574	21,951	3%	
No. of orders, thousands	687	778	-12%	
Average shopping basket, SEK	566	608	-7%	

¹Sum of own and external merchants' sales

CDON Marketplace is a leading marketplace

CDON Marketplace is the leading digital Nordic marketplace. Consumers turn to CDON.COM to purchase various products on just one site as well as to take advantage of low prices, easy payments and efficient delivery. Merchants join CDON Marketplace to take advantage of the site's market position and traffic as well as its tools to drive sales.

Rapid growth in external merchant sales

CDON Marketplace continued its transition toward the marketplace model to build an independent profitable company. The external merchants increased sales by 36 percent, which contributed to a 32 percent increase in commission revenue in the quarter. Together, the external merchants' sales and drop shipment (delivery direct to the customer from the supplier) accounted for 52 percent of gross merchandise value.

The phaseout of sales from our own inventories continued, especially in the lower-margin consumer electronics segment (mobile phones, TVs, etc.). The home electronics offer is instead built up through external merchants with a wide range at competitive prices. Consequently, net sales, which consists of own sales and the commission revenue from external merchants' sales, decreased by 31 percent to SEK 261 million in the quarter. This is part of the transition to the marketplace model that will continue in the coming quarters with a negative impact on sales while providing long-term conditions for higher margins. The phaseout of home electronics also means that the average shopping basket decreased.

The transition to marketplace and drop shipment provides opportunities for growth with lower inventory levels, which over time is expected to provide stronger cash flows and decrease working capital needs. In line with this strategy, inventory levels were 31 percent lower at the end of the first quarter of 2019 as compared year-on-year. CDON Marketplace thus significantly reduced its working capital during the quarter.

Gross profit increased by 11 percent

The transition to the marketplace model resulted in gross profit increasing by 11 percent to SEK 44 million and the corresponding margin increasing by a full 6.3 percentage points to 16.8 percent.

CDON Marketplace has for several years invested in technology platforms and process automation. The company benefits from these investments and has reduced the number of employees, which resulted in a decrease in employee costs of 26 percent in the quarter. Operating income before depreciation, amortization and impairment amounted to SEK -7.0 (-21.2) million for the seasonally weak first quarter.

NELLY INCREASED GROSS PROFIT

SEK million	2019	2018	Δ
	Jan-Mar	Jan-Mar	
Net sales	302.4	276.0	10%
Gross profit	68.8	58.0	19%
Gross margin, %	22.8%	21.0%	1.8%
Operating income before depreciation, amortization and impairment	-7.0	-14.9	-53%
<i>Operating margin before depreciation, amortization and impairment, %</i>	<i>-2.3%</i>	<i>-5.4%</i>	<i>3.1%</i>
Operating income	-12.3	-20.0	-39%
<i>Operating margin, %</i>	<i>-4.1%</i>	<i>-7.3%</i>	<i>3.2%</i>
Investments	-6.5	-1.5	
Opening inventory balance	241.6	193.0	25%
Closing inventory balance	287.1	257.3	12%
Active customers, past twelve months, thousands	1,351	1,265	7%
Visits, thousands	28,307	28,172	0%
Orders before returns, thousands	647	670	-3%
Average shopping basket, SEK	711	642	11%
Percentage of own brand sales	44%	46%	-2
Return ratio, past twelve months	39%	36%	3
Product margin	48%	46%	2
Fulfilment and distribution costs	21%	21%	1

One of the Nordics' strongest fashion brands online

Nelly offers fashion for young women through Nelly.com and for men through NLY MAN. 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 enthusiastic target group through its own brands and digital marketing. A key strategic aspect is to have a high proportion of sales from its own brand and design.

Increased sales and more customers

Nelly's growth initiatives led to 10 percent increase in sales, 7 percent increase in number of customers and 11 percent increase in average shopping basket for the quarter. The product margin increased from 46 percent to 48 percent.

The strong growth in the number of customers is a key value driver given the company's strong customer loyalty. Returning customers account for approximately 85 percent of sales. Most sales come from customers who make over five purchases per year.

During the quarter, sales through Zalando were successfully launched to cost-effectively reach new consumers, mainly in countries that complement Nelly's own reach.

The return rate was unchanged compared to the fourth quarter of 2018, although higher than in the first quarter of 2018. The return rate increase of recent quarters did not continue. During the quarter, Nelly digitalized its returns process to bring goods back to sales stock faster and to make it easier for customers to handle returns and purchase replacement goods. Inventories increased during the quarter to prepare for a strong summer season.

Gross profit increased by 19 percent

Growth and a higher product margin resulted in gross profit increasing by 19 percent to SEK 69 million and the corresponding margin increasing by 1.8 percentage points to 22.8 percent.

Operating profit was affected by increased marketing initiatives of SEK 5 million and higher costs for goods handling. Despite this, operating income before depreciation, amortization and impairment improved to SEK -7.0 (-14.9) million for the seasonally weak first quarter.

FINANCIAL TARGETS

Qliro Group's financial targets for subsidiaries.

Qliro Financial Services:

- Achieve an operating profit before depreciation and amortization of SEK 100-125 million in 2019
- The ability to achieve the financial target is to a large degree dependent on the e-commerce volumes and the recruitment of new merchants.

CDON Marketplace:

- Achieve a growth rate in external merchants' gross merchandise value above 20 percent per year
 - Achieve an operating margin before depreciation and amortization above 3 percent of net sales per year
- Operating income before depreciation and amortization is expected to be positive for 2019.

Nelly:

- Achieve organic growth in net sales above 10 percent per year
- Achieve an operating margin before depreciation and amortization above 6 percent per year

SIGNIFICANT EVENTS DURING AND AFTER THE FIRST QUARTER

Qliro Group called for early redemption of bonds

On February 4, it was announced that Qliro Group would redeem all outstanding bonds, which happened in the end of February.

GROUP IN THE QUARTER

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

Net sales amounted to SEK 639.8 (716.1) million, of which SEK 347.9 (406.7) million in Sweden, SEK 258.4 (278.4) million in the rest of the Nordic region and SEK 33.5 (31.1) million in the rest of the world. Exchange rate fluctuations had a positive impact of 1.7 percentage points.

The gross margin increased by 6.3 percentage points to 25.2 (18.9) percent, reflecting positive development in all businesses.

Operating income before depreciation, amortization and impairment was SEK -13.2 (-42.7) million. Operating income totaled SEK -33.5 (-58.8) million. The Group's central costs increased due to separation work.

Net financial items amounted to SEK -10.9 (-3.7) million, of which SEK 6.0 million was costs for early redemption of the bond loan and the remainder was interest on the bond loan and exchange differences.

Earnings before tax and Group contributions amounted to SEK -44.4 (-62.5) million. Recognized tax amounted to SEK 0.1 (14.0) million.

Earnings after tax amounted to SEK -44.3 (-48.6) million. Earnings after tax for continuing and discontinued operations amounted to SEK -44.3 (91.0) million. Earnings per share for continuing and discontinued operations amounted to SEK -0.30 (0.61) before dilution and -0.29 (0.60) after dilution.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK -6.2 (-72.1) million for the quarter, of which e-commerce accounted for SEK -28.9 (-51.8) million and Qliro Financial Services accounted for SEK 16.0 (-20.4) million.

Cash flow from changes in working capital in the e-commerce business amounted to SEK -133.0 (-262.8) million. CDON Marketplace decreased its inventory in line with its transition to a marketplace and Nelly increased its inventory for continued growth.

Cash flow from changes in working capital in Qliro Financial Services amounted to SEK -25.9 (-39.6) million. This was made up of a combination of increased loans to the public (invoices, payments, partial payments and personal loans), deposits from the public (savings accounts) and utilization of credit facilities.

Consolidated cash flow from operations after changes in working capital amounted to SEK -165.1 (-374.6) million. Investments in non-current assets totaled SEK -33.9 (-21.9) million. Investments were made in all companies.

Cash flow from divestment of operations amounted to SEK 0.0 (368.0) million. Cash flow from financing activities amounted to SEK -262.7 (0.0) million mainly due to repayment of the bond loan in the amount of SEK 250.0 million.

Cash and cash equivalents amounted to SEK 231.1 (601.9) million at the end of the quarter. Cash and cash equivalents from e-commerce operations amounted to SEK 204.5 (573.5) million after repayment of the bond loan in the amount of SEK 250 million during the quarter.

Total assets amounted to SEK 3,049.8 (2,868.3) million at the end of the quarter. The divestment of 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 954.2 (1,080.9) million.

Discontinued operations

Qliro Group divested Health and Sports Nutrition Group HSNG AB in the first quarter of 2018. This company was recognized as a discontinued operation 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. Earnings from the divestment of shares excluding transaction-related costs were SEK 140.6 million in the first quarter of 2018. Earnings after tax for discontinued operations amounted to SEK 0.0 (139.6) million for the quarter.

Parent company

The parent company, Qliro Group AB, reported sales of SEK 2.8 (5.3) million. Profit before tax amounted to SEK -16.7 (130.7) million. Cash and cash equivalents in the parent company amounted to SEK 98.9 (0.0) million at the end of the quarter.

As of March 31, Qliro Group had 154,994,779 shares issued, of which 149,694,779 were common shares and 5,300,000 were C shares. The C shares are held by Qliro Group and may not be represented at General Meetings.

Consolidated situation

Qliro Group and the subsidiary Qliro AB (credit market company under Finansinspektionen's supervision) are together a consolidated situation since the third quarter 2018 as Qliro AB accounts for more than half of the Group's total assets. Certain rules for the credit market company therefore also apply to the parent company, such as the capital adequacy regulations. The consolidated situation (parent company and Qliro AB) was well-capitalized as at March 31, 2019.

Accounting policies and valuation principles

This interim report was prepared in accordance with IFRS using the same accounting policies and bases of calculation as the most recent annual report and with application of IAS 34 Interim Financial Reporting. IFRS 9 and IFRS 15 were applied from January 1, 2018 and IFRS 16 from January 1, 2019.

IFRS 9 Financial Instruments

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.

IFRS 15 Revenue from Contracts with Customers

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

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and IFRIC 4 as of January 1, 2019. For lessees, IFRS 16 means that all leases (as defined) are recognized as assets and liabilities in the balance sheet and that associated depreciation and interest expenses are recognized in the income statement, with some exceptions. Qliro Group is applying the simplified approach over a transitional period. The transition to IFRS 16 resulted in assets and liabilities increasing by SEK 101 million.

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 2018 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 Ålandia

Like other companies in the industry, CDON had previously chosen to serve its Finnish customers from Åland. In January 2016, Qliro Group announced that the tax administration in Finland decided to place an additional tax on CDON AB's Åland subsidiary CDON Ålandia AB for the 2012 fiscal year. CDON Ålandia appealed against the decision to the Helsinki Administrative Court, which in May 2018 largely rejected CDON Ålandia'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. CDON Ålandia has submitted an appeal to the Finnish Supreme Administrative Court and is awaiting a ruling in 2019. This tax process only applies to the 2012 tax year and any additional claims from the Tax Administration against the company are barred by the statute of limitations.

As previously announced, the Finnish authorities has for several years investigated CDON Ålandia regarding suspicions of tax fraud. Even though the tax process has not yet been settled in the Administrative Court, Finnish prosecutors in the third quarter 2018 brought charges in Åland's district court in Finland against three persons who were members of CDON Ålandia's board from 2008-2013 and against two former employees of CDON. The trial is expected to take place in the fourth quarter 2019.

The CDON Ålandia business has since been discontinued. CDON believes that the company acted in accordance with relevant laws and the company is monitoring developments in the process.

Transactions with related parties

Transactions with related parties are presently of the same character as described in the 2018 annual report.

Interim report Q2 2019

Qliro Group's report for the second quarter of 2019 will be published on July 12, 2019.

Nomination Committee ahead of the 2019 AGM

The Nomination Committee for the 2019 AGM consists of Samuel Sjöström (chairman), appointed by Kinnevik, Christoffer Häggblom appointed by Rite Ventures and Thomas Krishan, representing his own shareholdings.

On April 3, the Nomination Committee's proposal was published for the AGM on May 7. The Nomination Committee proposes re-election of Board members Christoffer Häggblom, Daniel Mytnik, Erika Söderberg Johnson, Jessica Pedroni Thorell, Andreas Bernström and Lennart Jacobsen. The Nomination Committee also proposes re-election of Christoffer Häggblom as Chairman of the Board.

Dividend

The Board of Directors proposes that no dividend be paid to shareholders for the 2018 financial year and that the company's retained earnings be carried forward into the 2019 accounts.

2019 Annual General Meeting

The AGM for 2019 will be held on May 7, 2019, in Stockholm, Sweden. The meeting notice and 2018 Annual Report are available at www.qlirogroup.com and at the head office at Sveavägen 151 in Stockholm.

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

Stockholm, April 17, 2019

Marcus Lindqvist
CEO

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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: 08 5033 6573

UK: +44 330 336 9104

US: +1 929 477 0630

The pin code to access this call is 317405. The presentation material and webcast will be published at www.qlirogroup.com.

For additional information, please 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 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 2018 the Group had sales of SEK 3.2 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. The information was released for publication through the agency of the above-mentioned contacts at 8:00 a.m. CET on April 17, 2019.

Consolidated Income Statement, first quarter SEK million	E-commerce		Qliro FS		Eliminations ¹		Qliro Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Net sales	562.9	654.7	79.1	64.4	-2.3	-2.9	639.8	716.1
Cost of goods and services	-450.3	-556.9	-29.4	-25.0	1.4	1.1	-478.3	-580.8
Gross profit	112.6	97.8	49.7	39.4	-0.8	-1.9	161.5	135.3
Sales and administration expenses	-149.9	-152.3	-60.3	-51.4	4.6	3.0	-205.6	-200.7
Other operating income and expenses, net	1.9	2.4	13.1	7.2	-4.2	-3.0	10.7	6.5
Operating profit or loss	-35.5	-52.1	2.5	-4.8	-0.5	-1.9	-33.5	-58.8
Net interest & other financial items	-10.0	-3.5	0.0	-0.3	-0.9	-	-10.9	-3.7
Net profit or loss before tax	-45.5	-55.6	2.5	-5.0	-1.4	-1.9	-44.4	-62.5
Tax					0.1	-	0.1	14.0
Net profit or loss for continued operations							-44.3	-48.6
Net profit or loss for discontinued operations							-	139.6
Total net profit or loss for continued and discontinued operations							-44.3	91.0
<i>Attributable to:</i>								
Equity holders of the parent							-44.3	91.0
Non-controlling interests							-	-
Net income for the period							-44.3	91.0
Basic earnings per share excluding discontinued operations before dilution, SEK							-0.30	-0.33
Basic earnings per share including discontinued operations before dilution, SEK							-0.30	0.61
Basic earnings per share excluding discontinued operations after dilution, SEK							-0.29	-0.33
Basic earnings per share including discontinued operations after dilution, SEK							-0.29	0.60

¹ Including adjustment related to differences in phasing of costs/revenues and adjustments due to IFRS 16 Leasing

Consolidated statement of comprehensive income, first quarter SEK million	Qliro Group	
	2019	2018
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Translation difference for the period	2.4	3.5
Total comprehensive income for period	-41.9	94.5
<i>Total comprehensive income attributable to:</i>		
Parent company shareholders	-41.9	94.5
Non-controlling interests	-	-
Total comprehensive income for the period	-41.9	94.5
Shares outstanding at period's end, basic, million	149.7	149.3
Shares outstanding at period's end, diluted, million	150.5	151.0
Average number of shares, basic, million	149.7	149.3
Average number of shares, diluted, million	150.5	151.0

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

Consolidated Statement of financial position SEK million	E-commerce		Qliro FS		Eliminations ¹		Qliro Group	
	31 mar 2019	31 mar 2018	31 mar 2019	31 mar 2018	31 mar 2019	31 mar 2018	31 mar 2019	31 mar 2018
Non-current assets								
Goodwill	64.3	64.0	-	-	-	-	64.3	64.0
Other intangible assets	87.3	85.5	159.5	137.4	-	-	246.7	222.9
Total intangible assets	151.6	149.6	159.5	137.4	-	-	311.1	287.0
Tangible assets	11.2	10.9	13.4	11.0	-	-	24.6	22.0
Leased assets	-	-	-	-	100.9	-	100.9	-
Financial assets	-	-	25.1	115.1	-	-	25.1	115.1
Deferred tax asset	109.6	118.8	3.4	1.0	0.1	-	113.1	119.8
Total non-current assets	272.5	279.3	201.4	264.6	101.0	-	574.8	543.8
Current assets								
Inventories	418.9	448.1	-	-	-	-	418.9	448.1
Loans to the public	-	-	1,513.5	1,019.0	-	-	1,513.5	1,019.0
Current interest-bearing investments	-	-	167.8	25.1	-	-	167.8	25.1
Current non-interest bearing receivables	128.1	229.6	20.1	8.7	-4.5	-8.0	143.8	230.3
Cash and cash equivalents	204.5	573.5	26.5	28.4	-	-	231.1	601.9
Total current assets	751.5	1,251.3	1,728.0	1,081.2	-4.5	-8.0	2,475.1	2,324.5
Total assets	1,024.0	1,530.6	1,929.4	1,345.7	96.5	-8.0	3,049.8	2,868.3
Equity								
Equity attributable to owners of the parent	503.2	733.2	451.2	347.8	-0.2	-	954.2	1,080.9
Total equity	503.2	733.2	451.2	347.8	-0.2	-	954.2	1,080.9
Non-current liabilities								
<i>Non interest bearing</i>								
Other provisions	2.0	5.1	-	-	-	-	2.0	5.1
<i>Interest bearing</i>								
Loan Facility	-	-	421.9	210.5	-	-	421.9	210.5
Bond	-	250.0	-	-	-	-	-	250.0
Financial leasing liabilities	-	-	0.4	1.9	-	-	0.4	1.9
Leased liabilities	-	-	-	-	72.6	-	72.6	-
Total non-current liabilities	2.0	255.1	422.4	212.5	72.6	-	497.0	467.6
Current liabilities								
Deposits from the public	-	-	959.2	711.7	-	-	959.2	711.7
Financial leasing liabilities	-	-	1.6	2.3	-	-	1.6	2.3
Leased liabilities	-	-	-	-	28.5	-	28.5	-
Current non-interest bearing liabilities	518.7	542.2	95.1	71.5	-4.5	-8.0	609.3	605.8
Total current liabilities	518.7	542.2	1,056.0	785.5	24.0	-8.0	1,598.6	1,319.8
Total equity and liabilities	1,024.0	1,530.6	1,929.4	1,345.7	96.5	-8.0	3,049.8	2,868.3

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

¹ Including group adjustments and adjustments related to IFRS 16 Leasing

SEK million	Equity attributable to parent company shareholders						
	Equity	Other capital contributions	Translation 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 (IFRS 9)	-	-	-	-23.5	-23.5	-	-23.5
Opening balance 2018-01-01	300.9	1,077.4	-3.9	-388.2	986.1	-	986.1
Statement of changes in equity					2019	2018	2018
SEK million					Jan-Mar	Jan-Mar	Jan-Dec
Opening balance					994.5	986.1	986.1
Comprehensive income for the period					-41.9	94.5	5.9
Effects of long term incentive program					1.5	0.3	-2.5
Tax effect when changing accounting principle (IFRS 9)					-	-	5.0
Closing balance					954.2	1,080.9	994.5

Consolidated statement of cash flow, first quarter		E-commerce		Qliro FS		Eliminations ³		Qliro Group	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	
Cash flow from operating activities before changes in working capital	-28.9	-51.8	16.0	-20.4	6.7	-	-6.2	-72.1	
Changes in working capital ¹	-133.0	-262.8	-25.9	-39.6	-	-	-158.9	-302.4	
Cash flow from operations	-161.9	-314.6	-9.9	-59.9	6.7	-	-165.1	-374.6	
Investments in non-current assets	-13.5	-7.4	-20.4	-14.5	-	-	-33.9	-21.9	
Divested operations ²	-	368.0	-	-	-	-	-	368.0	
Cash flow to/from investing activities	-13.5	360.6	-20.4	-14.5	-	-	-33.9	346.1	
Shares contribution, net change	-35.0	-30.0	35.0	30.0	-	-	-	-	
Group contribution, net change	-	-2.0	-	2.0	-	-	-	-	
Internal loan, net change	0.1	-	-0.1	-	-	-	-	-	
Redemption of unsecured bond	-256.0	-	-	-	-	-	-256.0	-	
Amortization of leasing debt	-	-	-	-	-6.7	-	-6.7	-	
Cash flow to/from financing activities	-290.9	-32.0	34.9	32.0	-6.7	-	-262.7	-	
Change in cash and cash equivalents for the period from continued operations	-466.3	14.0	4.7	-42.5	-	-	-461.6	-28.5	
<i>Cash flow from discontinued operations</i>									
Cash flow from operations	-	13.9	-	-	-	-	-	13.9	
Cash flow from investing activities	-	-0.6	-	-	-	-	-	-0.6	
Change in cash and cash equivalents for the period from discontinued operations	-	13.3	-	-	-	-	-	13.3	
Change in cash and cash equivalents for the period	-466.3	27.3	4.7	-42.5	-	-	-461.6	-15.2	
Cash and cash equivalents at period's start²							691.8	631.1	
Translation difference, cash and cash equivalents							0.9	0.8	
Less cash from discontinued operations							-	-14.7	
Cash and cash equivalents at period's end							231.1	601.9	

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

² Early redemption of all outstanding bonds at 102.4 percent of the nominal amount 250 million SEK

³ Including adjustments related to IFRS 16 Leasing

Net Sales by segment	2019	2018	2018	2018	2018	2018
SEK million	Q1	Q4	Q3	Q2	Q1	Full year
CDON	260.6	558.0	286.3	337.5	378.4	1,560.2
Nelly	302.4	402.9	308.9	403.2	276.0	1,391.0
Group central operations	0.0	0.0	0.0	0.1	1.7	1.8
Eliminations within e-commerce	0.0	0.0	0.0	-0.1	-1.4	-1.6
Total e-commerce	562.9	960.9	595.2	740.7	654.7	2,951.5
Qliro Financial Services	79.1	77.0	71.6	68.2	64.4	281.2
Total Qliro Financial Services	79.1	77.0	71.6	68.2	64.4	281.2
Eliminations between e-commerce and Qliro Financial Services	-1.1	-1.8	-1.2	-1.3	-1.0	-5.3
Group adjustment ¹	-1.1	1.6	-0.6	-0.5	-1.9	-1.4
Qliro Group Consolidated Total	639.8	1,037.7	665.1	807.0	716.1	3,225.9

Eliminations within e-commerce						
CDON	-	-	-	-	-	-
Nelly	-	0.0	0.0	0.1	1.4	1.6
Group central operations	-	0.0	0.0	-0.1	-1.4	-1.6
Total eliminations within E-commerce	-	0.0	0.0	0.0	0.0	0.0

Eliminations between e-commerce and Qliro Financial Services						
CDON	0.8	1.4	0.7	0.6	0.7	3.4
Nelly	0.4	0.5	0.5	0.7	0.3	1.9
Group central operations	-	-	-	-	-	-
Qliro Financial Services	-1.1	-1.8	-1.2	-1.3	-1.0	-5.3
Total eliminations between e-commerce and Qliro Financial Services	0.0	0.0	0.0	0.0	0.0	0.0

Operating profit by segment	2019	2018	2018	2018	2018	2018
SEK million	Q1	Q4	Q3	Q2	Q1	Full year
CDON	-10.3	16.8	-8.9	-14.7	-23.6	-30.4
Nelly	-12.2	13.9	18.7	23.6	-20.0	36.2
Group central operations	-12.7	-8.9	-8.9	-15.0	-8.5	-41.2
Total e-commerce	-35.1	21.9	0.9	-6.1	-52.1	-35.5
Qliro Financial Services	2.5	-7.2	0.4	-3.7	-4.8	-15.4
Total Qliro Financial Services	2.5	-7.2	0.4	-3.7	-4.8	-15.4
Group adjustment ¹	-0.8	1.6	-0.6	-0.5	-1.9	-1.4
Qliro Group Consolidated Total	-33.5	16.3	0.7	-10.3	-58.8	-52.2

Inventories by segment	2019	2018	2018	2018	2018
SEK million	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
CDON	131.8	176.7	158.9	176.4	190.8
Nelly	287.1	241.6	296.0	220.1	257.3
Total e-commerce	418.9	418.4	454.9	396.5	448.1
Qliro Group Consolidated total for continued operations	418.9	418.4	454.9	396.5	448.1
Qliro Group Consolidated total for continued and discontinued operations	418.9	418.4	454.9	396.5	448.1

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

Parent company income statement			
SEK million	2019	2018	2018
	Jan-Mar	Jan-Mar	Jan-Dec
Net sales	2.8	5.3	18.0
Gross profit	2.8	5.3	18.0
Administration expenses	-12.0	-7.7	-55.7
Operating profit or loss	-9.1	-2.4	-37.7
Profit or loss from shares in subsidiaries	-	139.7	237.7
Net interest & other financial items	-7.6	-6.6	-14.8
Profit or loss after financial items	-16.7	130.7	185.2
Group contribution received	-	-	34.1
Group contribution paid	-	-	-2.3
Profit or loss before tax	-16.7	130.7	217.0
Tax	3.7	1.8	3.3
Net income or net loss for the period	-13.1	132.3	220.3
Parent company statement of comprehensive income			
SEK million			
Profit or loss for period	-13.1	132.3	220.3
Other comprehensive income	-	-	-
Total comprehensive income for period	-13.1	132.3	220.3

Parent company statement of financial position SEK million	2019 31/mar	2018 31/mar	2018 31/dec
Non-current assets			
Equipment	0.6	1.3	0.8
Shares and participating interests in group companies	964.9	625.5	929.9
Deferred tax asset	109.6	106.3	109.6
Total non-current assets	1,075.1	733.1	1,040.3
Current assets			
Current non-interest-bearing receivables	4.9	32.2	4.6
Receivables from group companies	1.5	613.6	14.4
Total current receivables	6.4	645.8	19.0
Cash and bank	98.9	0.0	431.0
Total cash and cash equivalents	98.9	0.0	431.0
Total current assets	105.3	645.8	450.0
Total assets	1,180.4	1,378.9	1,490.3
Equity			
Restricted equity	310.8	301.7	310.8
Unrestricted equity	865.5	801.1	877.1
Total equity	1,176.3	1,102.8	1,187.9
Provisions			
Other provisions	2.0	5.1	1.6
Total provisions	2.0	5.1	1.6
Non-current liabilities			
Bond	-	250.0	250.0
Total non-current liabilities	-	250.0	250.0
Current liabilities			
Liabilities to group companies	-	1.2	43.7
Non-interest-bearing liabilities	2.1	19.8	7.1
Total current liabilities	2.1	21.0	50.7
Total liabilities	4.1	276.1	302.3
Total equity and liabilities	1,180.4	1,378.9	1,490.3

Key ratios	2019	2018	2018	2018	2018	2018
	Q1	Q4	Q3	Q2	Q1	Full year
E-commerce						
Net debt, SEK million	-204.5	-420.0	-300.9	-388.8	-323.5	-420.0
<i>Cdon</i>						
No. of active customers, thousand	1,761	1,775	1,814	1,804	1,800	1,775
No. of visits, thousand	22,574	34,618	19,415	19,657	21,951	95,640
No. of orders, thousand	687	1,219	653	682	778	3,333
Average shopping basket, SEK	566	610	599	651	608	616
<i>Nelly</i>						
No. of active customers, thousand	1,351	1,354	1,353	1,313	1,265	1,354
No. of visits, thousand	28,307	31,288	24,993	31,776	28,172	116,230
No. of orders, thousand	647	866	648	889	670	3,072
Average shopping basket, SEK ¹	711	698	735	697	642	693
Qliro Financial Services						
Net debt, SEK million	1,163.8	1,207.8	949.6	894.9	757.9	1,207.8
Group						
Net debt, SEK million	959.2	787.8	648.7	506.1	434.3	787.8
Basic earnings per share before and after dilution, SEK ²	-0.29	0.03	-0.03	-0.58	-0.33	-0.90
Equity per share, SEK ³	6.37	6.64	6.58	6.58	7.24	6.64
No. of active customers, thousand	3,111	3,129	3,167	3,117	3,065	3,129
No. of visits, thousand	50,881	65,906	44,408	51,433	50,123	211,871
No. of orders, thousand	1,334	2,085	1,301	1,571	1,448	6,405
Average shopping basket, SEK	636	647	667	677	624	653

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-Mar 2019 have been calculated on the average number of outstanding shares for the respective periods. The weighted average number of shares before dilution for the first quarter 2019 is 149,694,779. The weighted average number of shares after dilution for the first quarter is 150,485,467. The dilution is due to Qliro Group's performance share program

³ Calculated on present number of common shares, which per March 2019 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.

Q1 2019						E-	Adjust-	
SEK million	CDON	Nelly	Central	commerc	Qliro FS	ment	Group	
Earnings before interest and taxes	-10.3	-12.2	-12.7	-35.1	2.5	-0.8	-33.5	
Depreciation, amortization and impairment	-3.4	-5.3	-0.2	-8.8	-11.5	-	-20.3	
Earnings before interest, taxes, depreciation, amortization and	-6.9	-6.9	-12.5	-26.3	14.0	-0.8	-13.2	

Q1 2018						E-	Adjust-	
SEK million	CDON	Nelly	Central	commerc	Qliro FS	ment	Group	
Earnings before interest and taxes	-23.6	-20.0	-8.5	-52.1	-4.8	-1.9	-58.8	
Depreciation, amortization and impairment	-2.4	-5.2	-0.2	-7.8	-8.3	-	-16.1	
Earnings before interest, taxes, depreciation, amortization and	-21.2	-14.9	-8.3	-44.4	3.5	-1.9	-42.7	

¹Non-GAAP financial measures are shown for continued operations

Not 1

Disclosures in accordance with IAS 34.16A are found on pages 8-9.

Not 2

On January 30, 2018, Qliro Group 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. The table below refers to the sale of Health and Sports Nutrition HSNG AB, presented as discontinued operations in the Group.

Discontinued operations

Group	2019	2018
SEK million	Q1	Q1
Income	-	70.4
Expenses	-	-69.4
Profit/loss before tax and group contributions	-	1.0
Group contributions	-	0.0
Profit/loss before tax	-	1.0
Tax	-	-0.3
Profit/loss after tax but before capital gains from sale of operations	-	0.7
Result from sales of shares incl. cost for disposal	-	138.9
Profit/loss from discontinued operations after tax	-	139.6

Group	2019	2018
SEK million	Q1	Q1
Net cash flow from discontinued operations		
Cash flow from operations	-	13.9
Cash flow from investing activities	-	-0.6
Cash flow from financing activities	-	-
Net cash flow from discontinued operations	-	13.3

Group	2019	2018
SEK million	Q1	Q1
Divested assets and liabilities		
Intangible assets	-	-212.8
Tangible assets	-	-3.0
Deferred tax receivable	-	0.0
Inventories	-	-96.1
Current non-interest bearing receivables	-	-50.8
Cash and cash equivalents	-	-14.7
Deferred tax liability	-	10.8
Current non-interest bearing liabilities	-	139.3
Net assets and liabilities	-	-227.4
Received purchase price	-	368.0
Accrued purchase price	-	-
Less cash from discontinued operations	-	-14.7
Change in cash and cash equivalents	-	353.3

Not 3

The Group is divided into three segments. CDON Marketplace is the leading Nordic marketplace online. Nelly is a digital fashion brand 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

Q1 2019							
SEK million	CDON	Nelly	Qliro FS	Group central operations	Eliminations	Group adjustment	Group consolidated total
Sweden	152.1	140.9	57.1	-	-1.1	-1.1	347.9
Other nordics	108.4	128.0	22.0	-	-	-	258.4
Nordics	260.6	268.9	79.1	-	-1.1	-1.1	606.3
Rest of the world ¹	-	33.5	-	-	-	-	33.5
Total	260.6	302.4	79.1	-	-1.1	-1.1	639.8

Q1 2018							
SEK million	CDON	Nelly	Qliro FS	Group central operations	Eliminations	Group adjustment	Group consolidated total
Sweden	229.2	135.0	45.2	1.7	-2.5	-1.9	406.7
Other nordics	149.2	109.9	19.2	-	-	-	278.4
Nordics	378.4	245.0	64.4	1.7	-2.5	-1.9	685.1
Rest of the world ¹	-	31.1	-	-	-	-	31.1
Total	378.4	276.0	64.4	1.7	-2.5	-1.9	716.1

¹Includes mainly sales in Europe

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

Qliro AB (556962-2441) is a credit market institution and wholly owned subsidiary of Qliro Group AB (556035-6940). Qliro AB and Qliro Group AB are included in a consolidated situation. All information is presented as of March 31, 2019 in accordance with Regulation (EU) 575/2013 and the Swedish Financial Supervisory Authority's (FI) regulations and general guidelines (FFFS 2014: 12). All amounts are stated in thousands of Swedish kronor.

Own funds	Qliro AB	Consolidated situation
Common Equity Tier 1 capital	281,241	641,299
Additional Tier 1 capital	-	-
Tier 2 capital	-	-
Total capital	281,241	641,299

Risk exposure amount	Qliro AB	Consolidated situation
Credit risk according to standardized approach, of which	1,202,686	1,490,399
exposure to households	1,055,951	1,055,951
exposure to corporates	20,774	28,092
exposures in default	99,966	99,966
exposure to institutions	5,305	25,081
exposure covered bonds	7,271	7,271
exposure equity	-	260,001
other exposures	13,420	14,037
Market risk	-	-
Operational risk according to basic indicator approach	431,778	463,792
Total risk exposure amount	1,634,464	1,954,191

Capital requirement	Qliro AB	Consolidated situation
Total minimum capital requirement	130,757	156,335
Internally assessed required capital	38,955	57,243
Combined buffer requirement	70,384	84,845
Total capital requirements, excl. combined buffer requirement	169,712	213,578
Total capital requirements, incl. combined buffer requirement	240,096	298,423

Capital adequacy analysis	Qliro AB	Consolidated situation
Common Equity Tier 1 capital ratio	17.2%	32.8%
Tier 1 capital ratio	17.2%	32.8%
Total capital ratio	17.2%	32.8%
Leverage ratio	16.0%	30.1%
Combined buffer requirement	4.3%	4.3%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	1.8%	1.8%
Capital planning buffer	0.9%	1.3%

Funding

Qliro AB's net lending to the public amounted to SEK 1,514 (1,019) million at the end of the quarter. The lending was financed by the amount of SEK 422 (211) million via a secured contracted credit facility and SEK

962 (713) million through deposits from the public (savings accounts) in Sweden, of which 99.8 percent are protected by the deposit insurance scheme in Sweden. Deposits from the public were divided into 38 percent on demand with variable rate and 62 percent fixed interest rate with a duration of 207 days as of March 31, 2019 (initially 1-year fixed rate). 23 percent of the deposit portfolio is invested in liquid financial assets and placed in Nordic banks.

Liquidity

Qliro AB has a liquidity reserve to ensure sufficient liquidity in times of a stressed financial market situation. As of March 31, 2019, Qliro AB's financial investments amounted to SEK 193 million and was invested in Swedish municipal bonds, commercial papers and covered bonds. Average rating of the financial investments was AAA and had an average maturity of 123 days.

In addition to the financial investments, Qliro AB had as of March 31, 2019 SEK 26 million placed in Nordic banks and SEK 346 million in additional liquidity via undrawn funding in a secured contracted credit facility. Consolidated situation had additional SEK 99 million placed at Nordic banks as of March 31, 2019.

As of March 31, 2019, Qliro AB had a liquidity coverage ratio of 500 percent. The liquidity coverage ratio measures the liquidity buffer amounting to SEK 146 million related to net outflows of SEK 29 million over a thirty-day period under strained market conditions. The consolidated situation had a liquidity buffer amounting to SEK 146 million and a liquidity coverage ratio of 495 percent. A statutory limit for the liquidity coverage ratio of 100 percent applies.