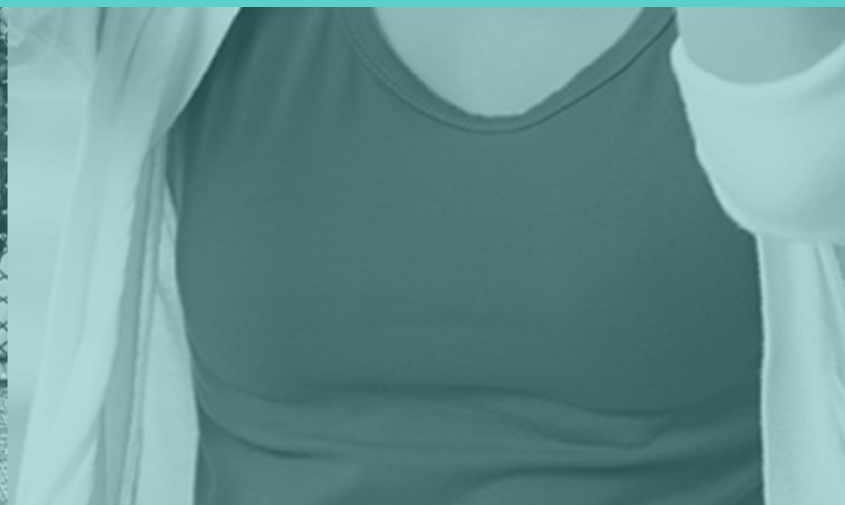




Qliro Group - Q3 Interim Report

Marcus Lindqvist, CEO
October 19, 2018



Progress in building three independent companies

QLIRO

Financial services to
consumers and merchants



Focus on external
merchants, existing offering
and scalability

CDON.COM

A leading Nordic
online marketplace



Accelerating transformation
Evaluating structural
transactions

NELLY.COM

A leading online Nordic
fashion brand



Successful profitable
growth
Evaluating listing or
divestment

Updated financial targets

QLIRO

Focus on external merchants (CDON decreased volumes)



- Operating income before depreciation and amortization of SEK 100 - 125 million in 2019

CDON.COM

Transformation to marketplace model



- Growth in external merchandize value above 20 percent per year
- Operating margin before depreciation and amortization above 3 percent per year

NELLY.COM

Successful profitable growth strategy



- Organic growth in net sales above 10 per cent per year
- Operating margin before depreciation and amortization above 6 percent per year

Qliro Financial Services continues to grow

Proven scalability and low acquisition costs

SEKm	Q3 18	Q3 17	Δ
Total operating income	76.7	56.3	36%
Total operating expenses	62.1	47.0	32%
EBTDA	10.3	11.1	-8%
Loan book	1 246	827	51%
Business volume	1 129	848	33%

- ➔ Total operating income increased 36%, driven by increased lending to the public
- ➔ Total operating expense increased 32%, indicating scalability in business considering investments in commercial capabilities during the quarter
- ➔ Business volume grew 33% despite negative impact from CDON's transformation
- ➔ Growing independency from group, as external merchants accounted for around 50% of business volume in the quarter
- ➔ Focus to attract merchants and capitalize existing service offering and roll out Swedish offering across the Nordic

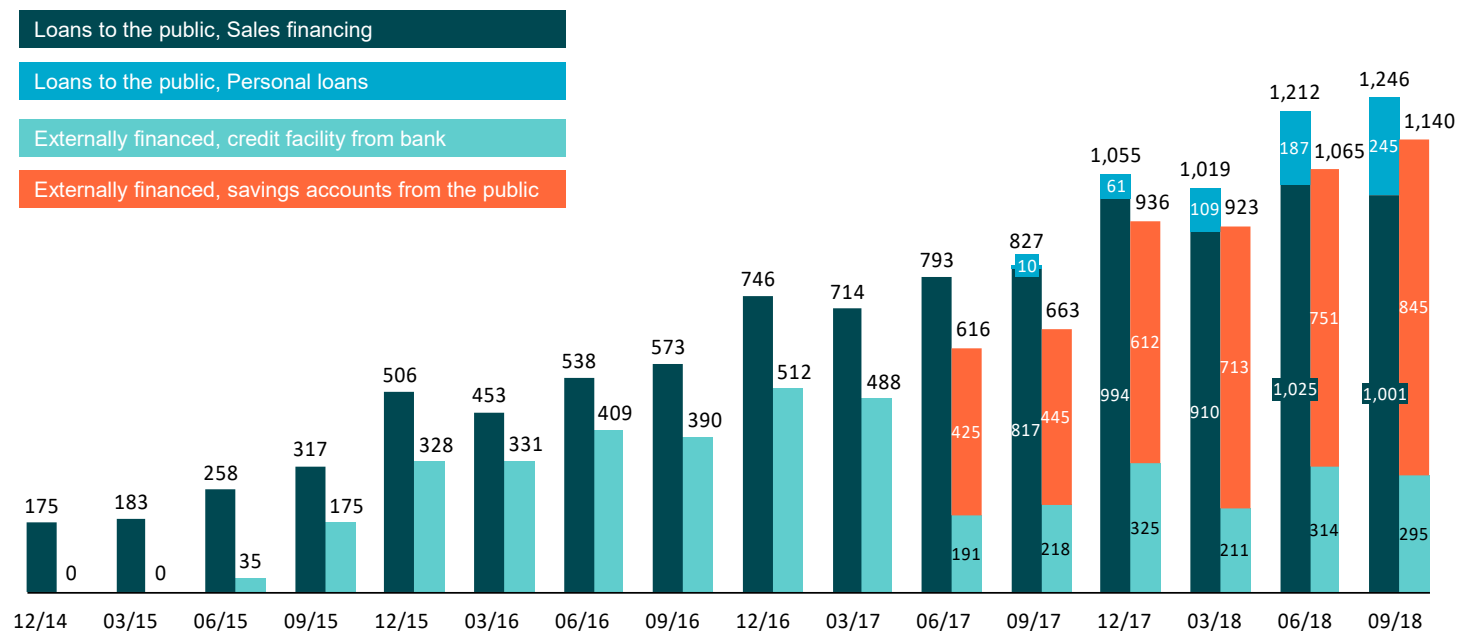


Loan book above SEK 1.2 billion

Focus on cost-efficient expansion

- ➔ Machine learning applied to internal and external data for real-time credit scoring
- ➔ Continued ramp-up of personal loans to SEK 245m
- ➔ Interest cost for loan book amounted to SEK 4m, through savings accounts and secured credit facility
- ➔ Interest revenue from loan book amounted to SEK 71m, reflecting positive interest rate spread
- ➔ An e-commerce transaction generates income for up to three years and personal loans even further

Net lending, SEKm



CDON Marketplace accelerates transformation

Focus on external sales growth

SEKm	Q3 18	Q3 17	Δ
GMV external	124.7	101.9	22%
Total GMV	396.4	445.4	-11%
Net sales	286.3	353.5	-19%
Gross profit	42.3	35.6	19%
EBITDA	-5.9	-12.2	-51%

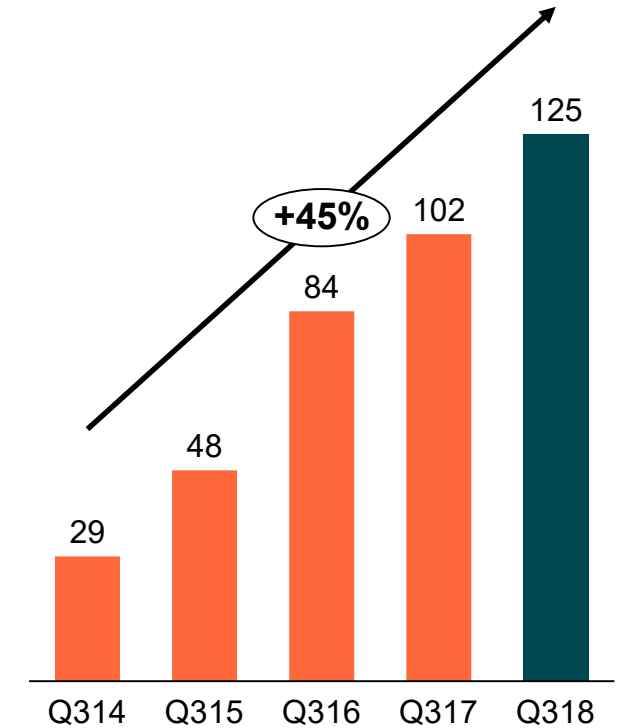
GMV = Gross merchandise value

>19
Million
visits in quarter

1.8
Million
active
customers¹

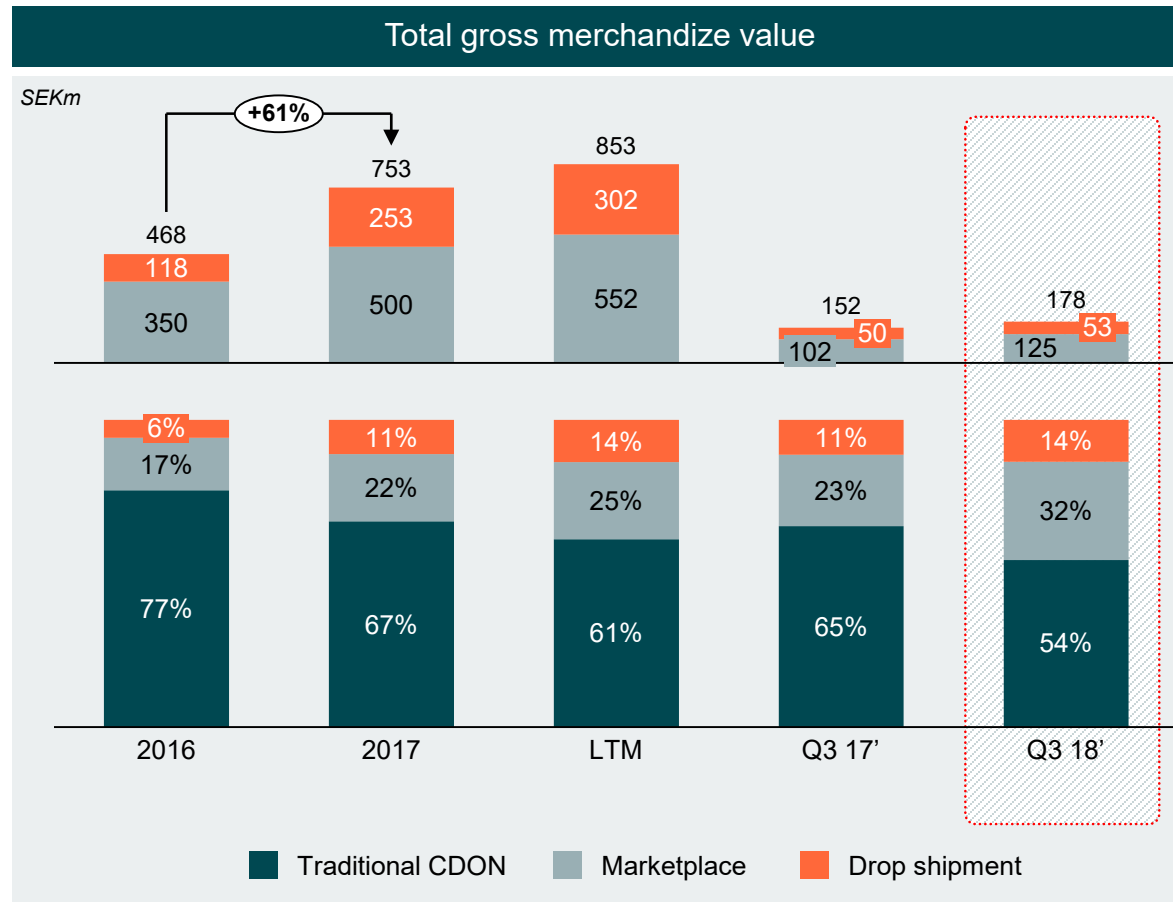
- Proven model with over 1,500 merchants e.g. Adlibris, VidaXL, Furniturebox, Ellos, Cervera and Trademax
- External merchants increased sales 22% and commission income with 45% driven by long-tail activation
- Own sales phased out, mainly products with lower margins, resulting in increased gross margin of 4.7 percentage points and lower net sales
- Continued investments in automation and positioning of brand, while personnel costs somewhat decreased

External GMV development
CAGR 14'-18'



Transformation to higher scalability and lower risk

Marketplace and drop shipment model enables growth with less capital



	Traditional CDON	Drop shipment	Marketplace
SALES	CDON.COM	CDON.COM	CDON.COM
PLATFORM	CDON.COM	CDON.COM	CDON.COM
PRICING	CDON.COM	CDON.COM	Merchant
LOGISTICS	CDON.COM	Merchant	Merchant
INVENTORY	CDON.COM	Merchant	Merchant

- Decreasing legacy dependency especially in non-profitable categories
- Growing drop shipment without own inventory
- Transforming into a highly scalable marketplace

Nelly delivers strong profitable growth

Two quarters in a row with 11 percent growth

SEKm	Q3 18	Q3 17	Δ
Net Sales	308.9	277.5	11%
EBITDA	23.9	23.7	
EBITDA margin	7.7%	8.5%	
EBIT	18.7	18.2	
EBIT margin	6.0%	6.6%	

- ➔ Growth initiatives increased numbers of visit with 7%, number of orders with 12%, number of customer with 15% and average order with 5%
- ➔ Net sales increased 11% just as last quarter, highest growth in three years
- ➔ Return ratio amounted to 38%, higher level than 2017
- ➔ Sweden and Norway are the largest markets. The fastest growing market is the Netherlands
- ➔ EBITDA amounted to SEK 24m, showing significant sequential improvement as last year was boosted with 6m from divestment of Members.com

44%

Share of own brands

1.4

Million active customers¹

A group of five young women are posed against a light background. From left to right: the first woman has blonde hair and wears a grey and pink FILA sweatshirt and a gold skirt; the second has curly brown hair and wears a yellow and orange jacket; the third has dark hair in a high ponytail and wears a pink and grey bikini top; the fourth has blonde hair in buns and wears a pink puffer jacket; the fifth has dark hair and wears a black and white striped off-the-shoulder top. The text 'NELLY.COM | NLY MAN' is overlaid in large black letters across the middle of the image.

NELLY.COM | NLY MAN

NELLY – A LEADER IN ONLINE FASHION

Anna Ullman Sersé, CEO

October 2018

Nelly – a top online fashion brand for clothes and accessories

NELLY.COM

Fast growth with high margin

- The fashion inspiration destination for the latest trends and must-haves for young people
- Excellent brand position in the Nordics, and trusted for its fashion sense by young women
- Core of the offering is the own NLY brand, creating customer loyalty and profitability
- Well-curated offering of additional 200 brands, fueled by an efficient data-driven tech platform

44%

SHARE OF BRANDS

1.4

MILLION ACTIVE CUSTOMERS

1.3

MILLION FOLLOWERS ON SOCIAL MEDIA

25

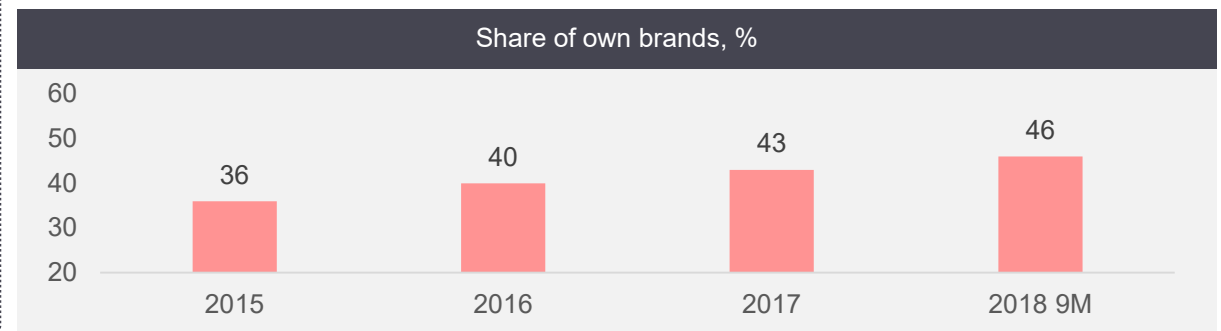
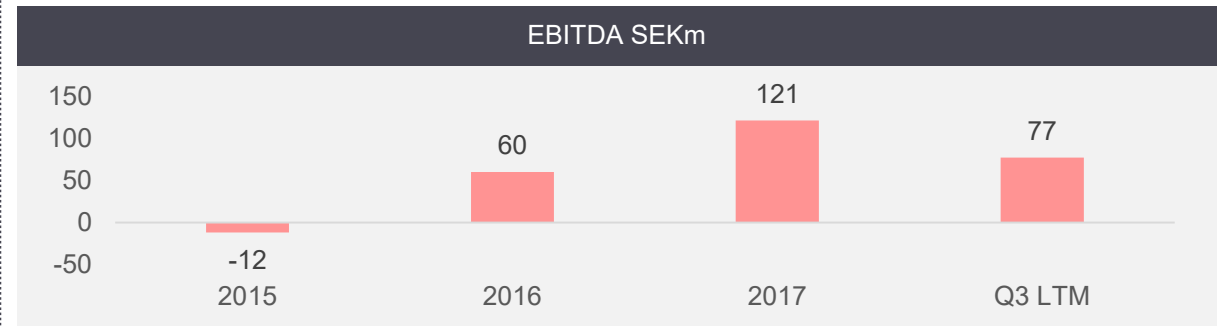
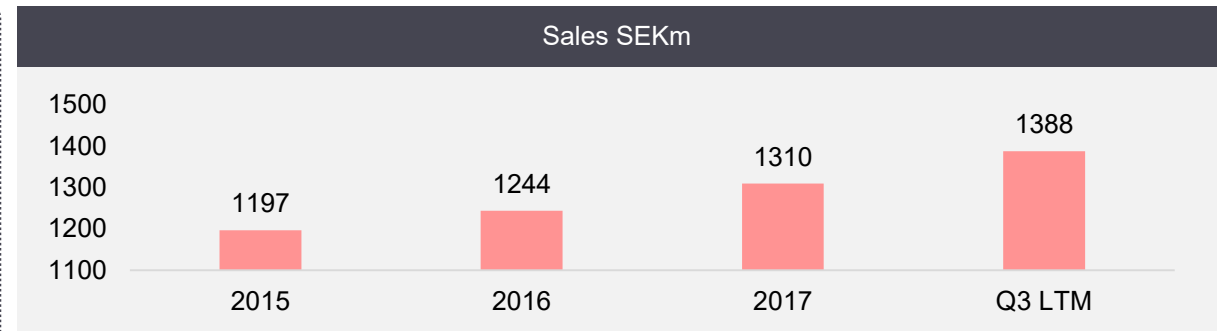
MILLION VISITS IN Q3

A well-established brand and company

Own brands and strong customer loyalty resulting in profitable growth

HISTORY

- 2003 Launch in Sweden
- 2007 Acquisition and further investments by Qliro Group
- 2008 Nordic reach via launches in Finland, Norway & Denmark
- 2014 NLY Man set up as a separate offering
- 2018 NLY brand is nearly half of sales



An excellent brand position in attractive segment

Trusted by trendy women and men aged of 18 to 35

- Young women go to Nelly.com for fashion advice, as Nelly is trusted to answer the question “what to wear when?”
- The fashion sense in the NLY brand is created by a brilliant designer studio
- Innovative use of digital marketing creates a loyal fan base and inspirational content has a higher conversion rate

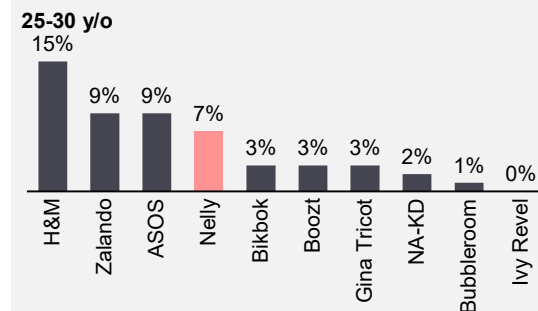
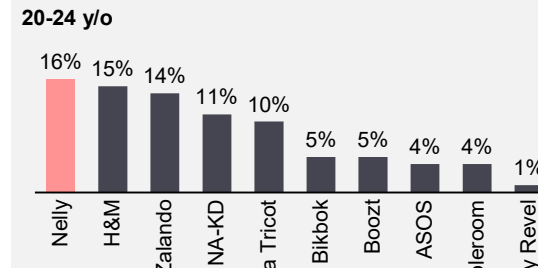
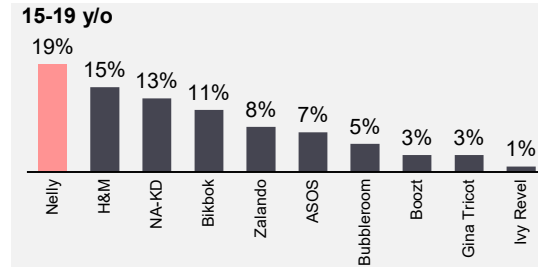
OCCASION SHOP



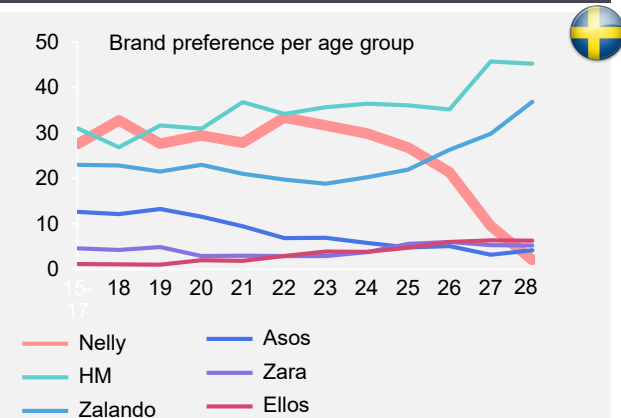
FILTER DRAMA SERIES



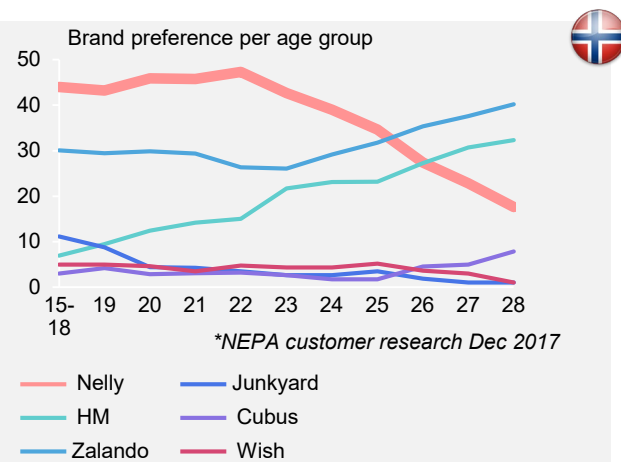
Top brands visited weekly for Swedes who use online clothing stores for inspiration*



Brand preference per age group

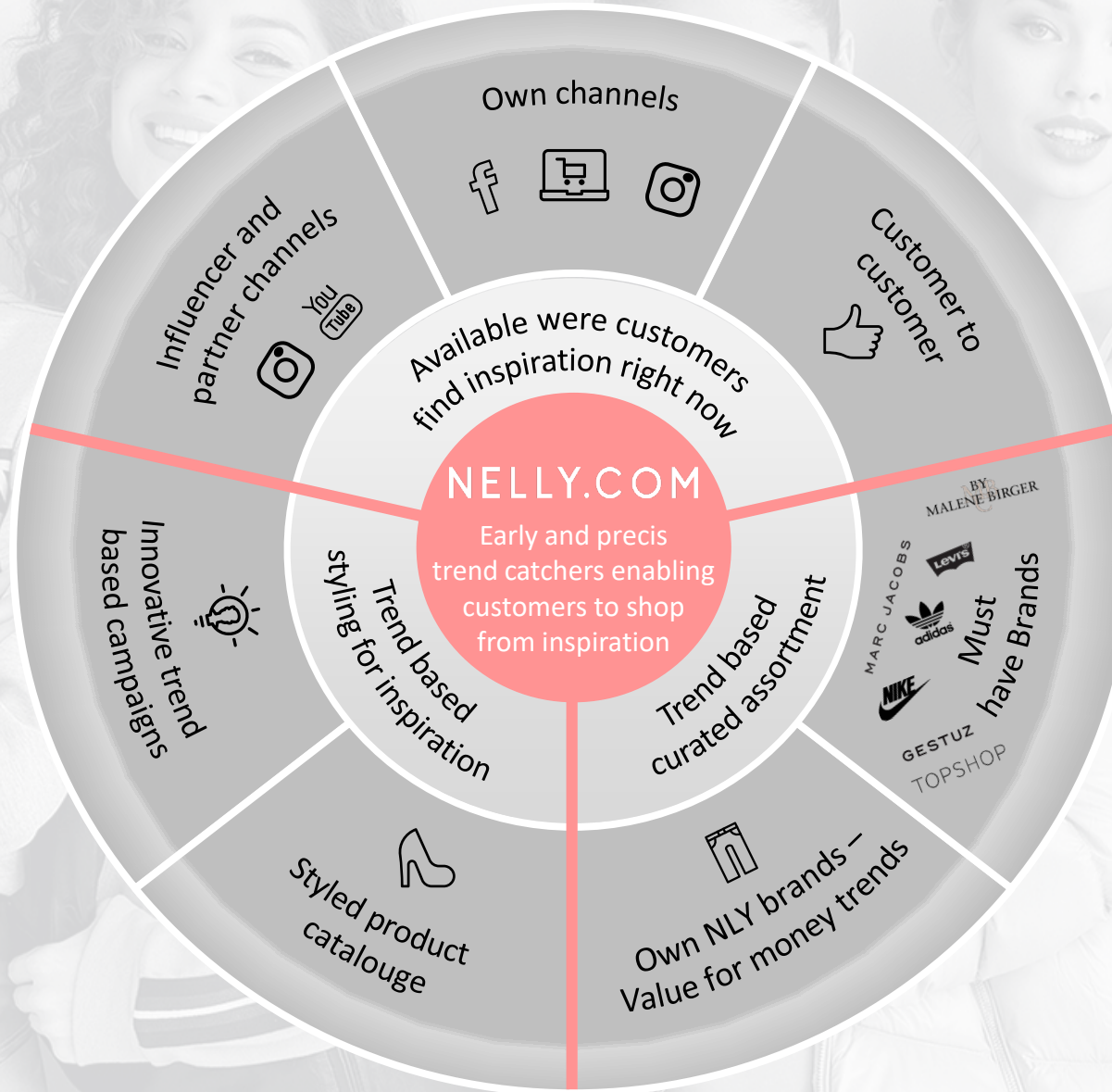


Brand preference per age group



Nelly's circle of inspiration around the latest trends

NELLY.COM



! To be a confident young woman's best friend, who she looks to for inspiration and glam

! To provide that bit of extra glam to every outfit and occasion. At an affordable price

Data-driven decision and strong inhouse fashion capabilities

NELLY.COM

Capability circle



- Data driven customer interaction
- Digital enabled trend watching and short product lead time
- Data driven sales and efficient logistics

! Optimize digital marketing and sales with a data-driven approach to consumers behavior

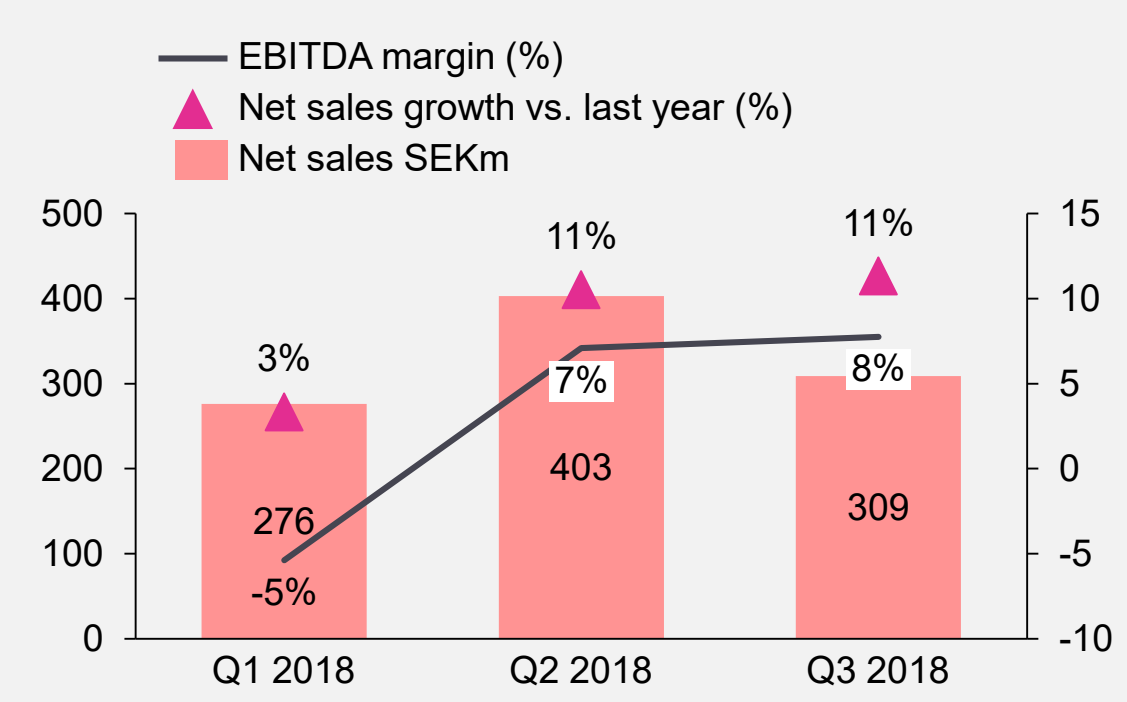
! Short product lead time to optimize inventory levels and secure customer experience with inhouse capabilities

New financial targets to reflect growth strategy

Two quarters in a row with profitable double digits growth



New financial targets for higher growth same margin:
10 percent organic growth per year
6 percent EBITDA per year



CURATED ASSORTMENT
Best in class selection of products and latest commercial trend for young people



PROFITABLE GROWTH
Profitable growth by reaching new customers and using new channels



CUSTOMER EXPERIENCE & INNOVATION
Excellent customer experience and ongoing innovation to inspire our customers



OPERATIONAL EXCELLENCE
Operational excellence with processes and organization for control and efficiency

Summary

Marcus Lindqvist, CEO



Value creation in three fully independent operations

Third quarter

- ✓ Strategic direction implemented – three independent companies
- ✓ Ongoing dialogue with several key players in the industry
- ✓ Financial flexibility as Group's cash amounted to SEK 577m, including SEK 301m in net cash position in e-commerce

Focus

MERCHANT RECRUITMENT	Qliro Financial Services continues its loan book expansion leveraging e-commerce volumes and organizational scalability
GEOGRAPHICAL REACH	
TRANSFORMATION	CDON Marketplace accelerates transformation to achieve long-term profitable growth
NEW PLATFORM	
OWN BRANDS	Nelly focuses on profitable growth, investing in core business and takes advantage of strong momentum
MARKET EXPANSION	

THANK YOU

Next report released February 5

 Nasdaq symbol **QLRO**

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