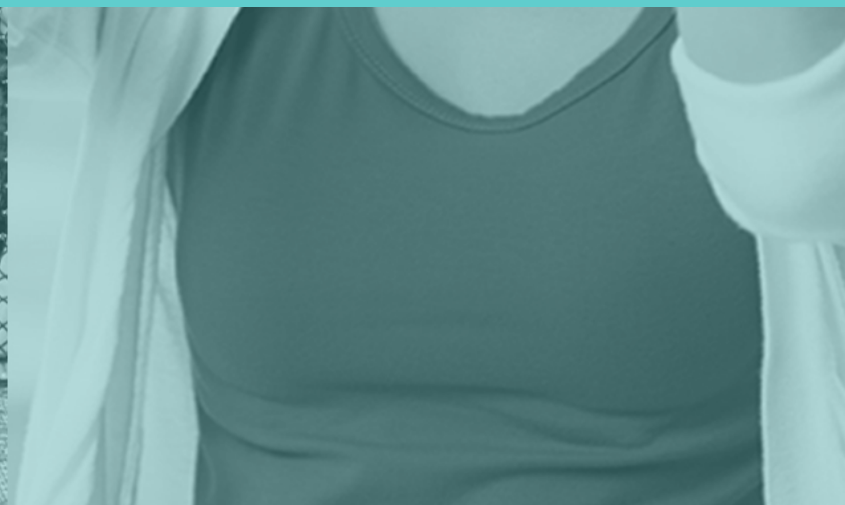




Qliro Group – Q3 Report

Mathias Pedersen, CEO
October 21, 2020



Unbundling to be finalized

CDON

- External merchant +100%
- 80% of gross profit generated as services to merchants
- To be distributed and listed on First North in November

NELLY.COM

- Flat sales in the Nordics in local currencies
- Increased gross margin due to Nordic focus, efficiency and lower returns
- Inventory –31%
- To remain as the listed entity

Qliro Group

- Qliro AB listed on Nasdaq since October 2
- On November 6, Kristina Lukes becomes the CEO and Qliro Group becomes Nelly Group

Provider of technology platform to 1,385 merchants

External merchants doubled sales third quarter in a row

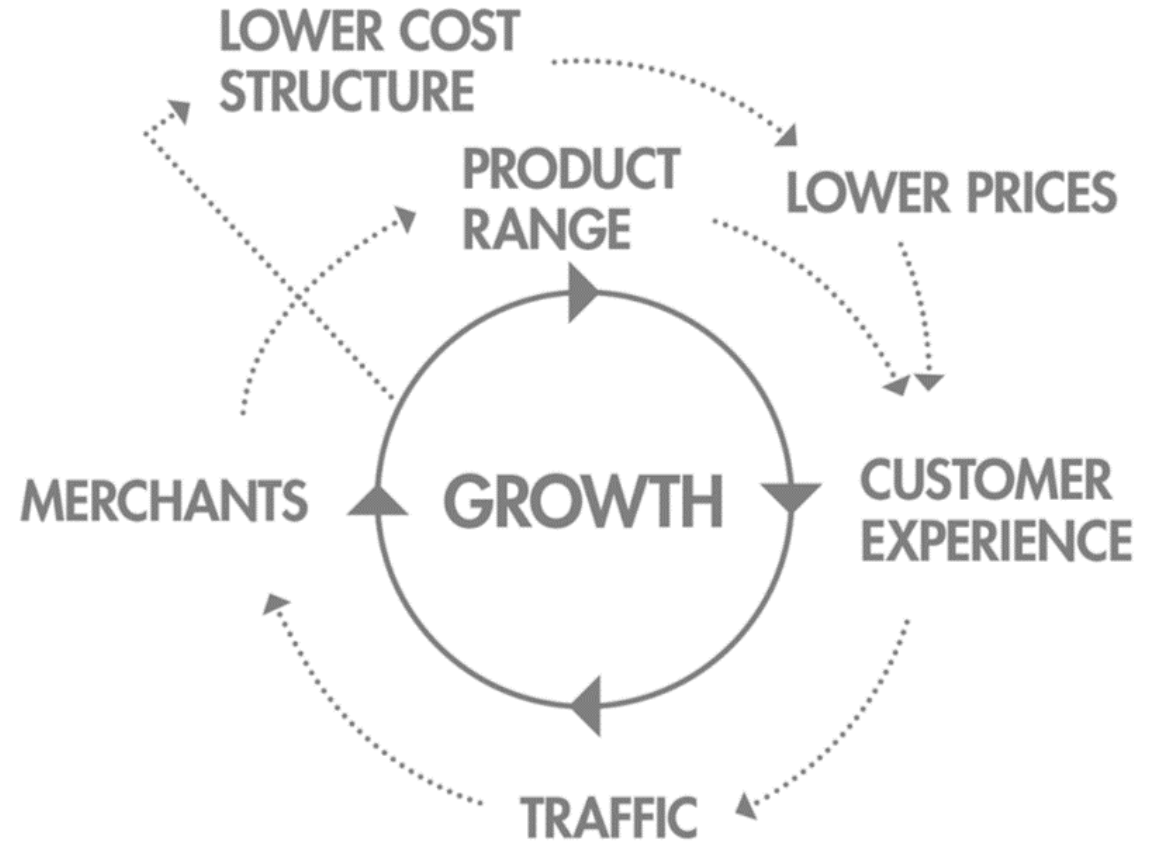
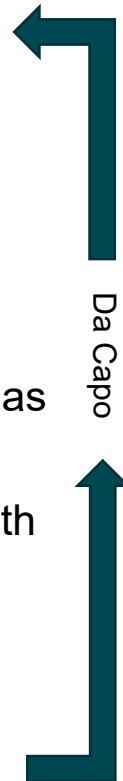
SEKm	Q3 20	Q3 19	Δ
CDON Marketplace			
Sales external merchants	426.1	213.1	100%
Net sales	46.9	25.8	82%
Gross profit	44.7	24.9	80%
CDON Retail			
Net sales	107.5	186.1	-42%
Gross profit	11.3	17.3	-35%
CDON Total			
Gross profit	56.0	42.1	33%
Gross margin, %	36.3%	19.9%	16 p.p.
EBITDA	7.6	3.6	110%
Inventory	26.3	86.5	-70%

- **CDON Marketplace** is the core business
 - External merchants' sales +100%, gross profit +80%
 - Segment now 80% of total gross profit and growing fast
- **CDON Retail** complements CDON Marketplace
 - Focus on selected categories and to not compete with merchants
 - Gross profit SEK 11.3 million
- **Strong position** in the changing retail landscape
 - Total gross profit +33%
 - Total EBITDA +110%
- Scalable and capital efficient model, as inventory decreased 70%
- Exceeding expectations and well-positioned to be independent

CDON has created a positive business spiral

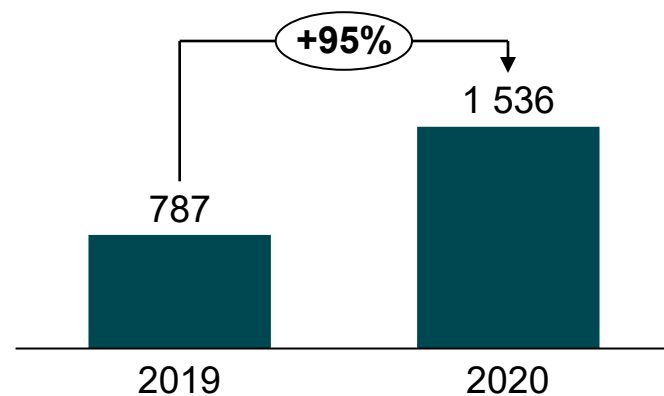
Business model for growth

- **More merchants**
137 new added in quarter totaling 1,385
- **Leading to a wider product range**
Now about 8 million products
- **Leading to lower prices** as merchants compete, e.g. home electronics
- **Combined with a lower cost structure** as we benefit from automation and scale
- **Improving the customer experience** with lower prices and more products
- **Attracting more customers**
Increase of 23 percent last 12 months
- **Attracting even more merchants**

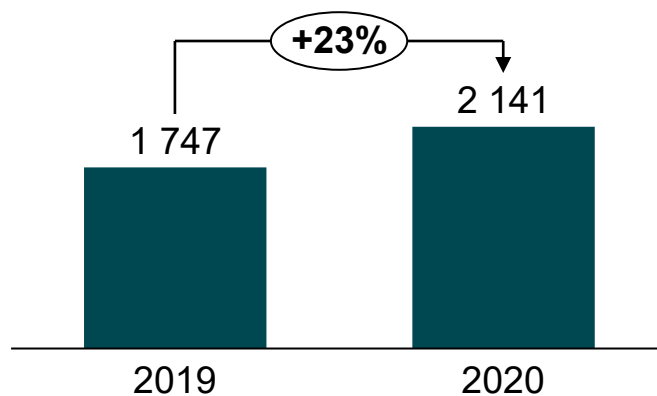


CDON has great momentum – LTM development

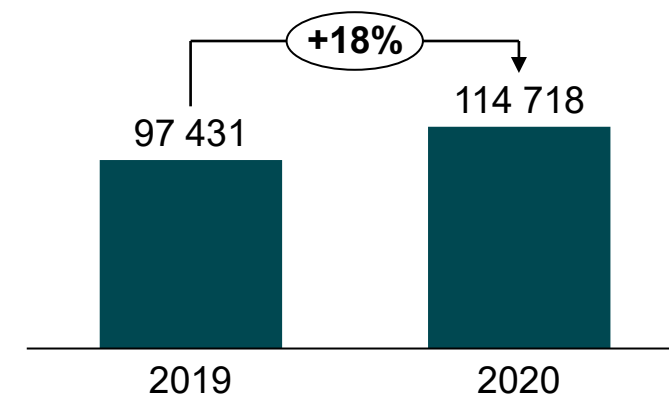
Sales external merchants, SEKm



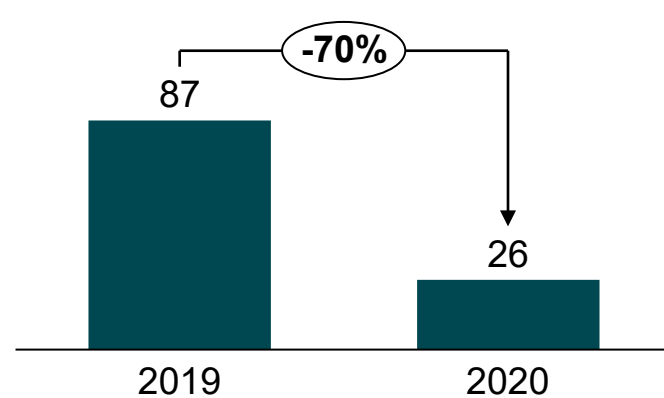
Active customers, '000



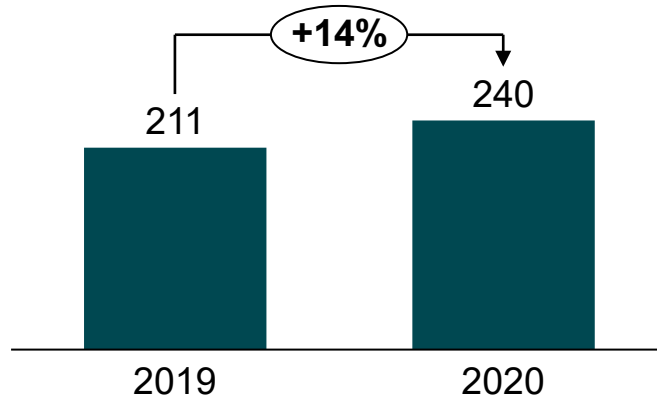
Number of visits, '000



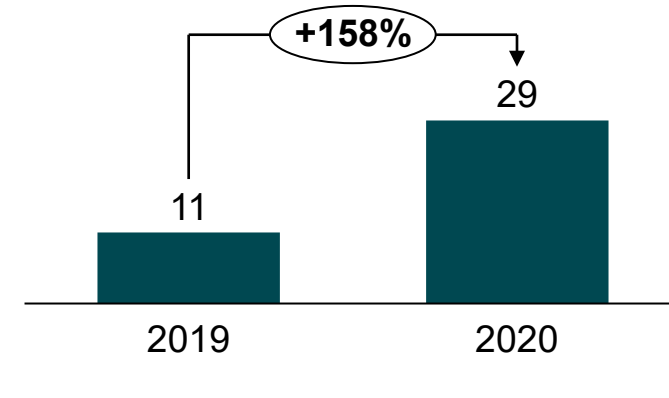
Inventory, SEKm



Gross profit, SEKm



EBITDA, SEKm



Higher gross margin despite tough market conditions

Restrictive procurement policy hampered sales

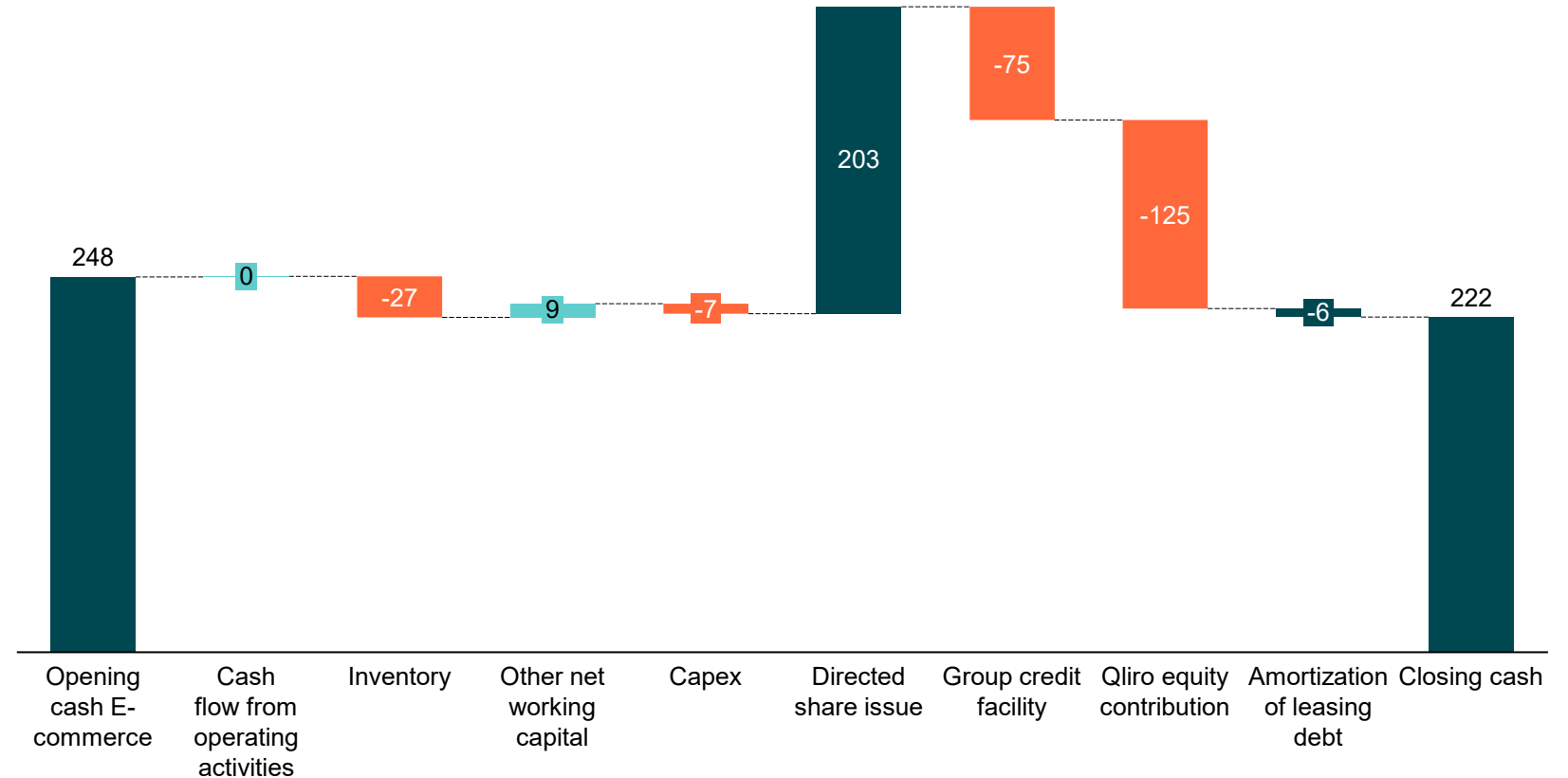
SEKm	Q3 20	Q3 19	Δ
Net Sales	300.3	329.9	-9%
whereof Nordics	287.8	296.0	-3%
whereof outside Nordics	12.5	33.9	-63%
Gross profit	70.5	75.6	-7%
Gross margin, %	23.5%	22.9%	0.5 p.p.
EBITDA	1.8	9.3	
Inventory	211.6	308.1	-31%

- ➔ Flat sales in the Nordics in local currencies on weak market
- ➔ line with focus on the Nordics, sales declined outside the region
- ➔ Successful business focus secured increased gross margin
 - ➔ Nordic focus
 - ➔ Higher efficiency
 - ➔ Return ratio decreased 2 percentage points to 36%
- ➔ Reduced inventory 31 percent, limiting working capital needs
- ➔ Reorganization negative impact of SEK 5 million
- ➔ Ready to be independently listed Nelly Group

Cash flow

Directed share issue to distribute Qliro AB and repay debt

- Net inventory increased with SEK 27m during the quarter as Nelly prepared for Q4, while CDON continued to lower its inventory
- SEK 203m raised in directed share issue
 - SEK 125m invested in Qliro AB before distribution to Qliro Group's shareholders
 - SEK 75m used to repay group credit facility



Strengthened balance sheet

Debt free and ready for peak season

- Cash amounted to SEK 222m
- CDON had SEK 49m in cash
- Inventory reduced with 40% compared to last year
 - Nelly increased inventory turnover rate
 - CDON focused on service income
- Ready for the peak season with the necessary inventory in Nelly and with 1,385 merchants selling 8 million products on CDON's platform

SEKm	829	829	
Cash	222	158	Accounts payable
Receivables	85	283	Other operating debt
Inventory	238		
Goodwill	65	51	Leased liabilities
Other intangibles	80	338	Equity
Other assets	90		
Leased assets	50		
	Assets	Eqt. & Liab.	

THANK YOU

Next report released February

 Nasdaq symbol **QLRO**

Qliro Group AB (publ.)
Box 195 25
SE-104 32 Stockholm
+46 (0)10 703 20 00
ir@qlirogroup.com

Qliro
Group