

Qliro Group sets new financial targets for subsidiary Qliro AB and comments on the 2020 outlook for the subsidiaries

Press release, Stockholm, February 4, 2020

Qliro Group's strategy since June 2018 is to split the group into three separate companies. Prior to the listing of subsidiary Qliro AB, the board has set new financial targets. The group also comments on the 2020 outlook for its subsidiaries.

Qliro AB's new financial targets and outlooks for 2020

Financial targets

- **Growth.** In the medium term, Qliro AB:s target is to achieve an income growth of 20-25 per cent on average per annum.
- **Cost.** By growing income and increase its operational efficiency, Qliro AB shall become more cost-effective. Qliro AB:s target is to reach a cost to income ratio of 50 percent by 2023.
- **Capital.** In the medium term, Qliro AB shall remain adequately capitalized to support strong growth opportunities. In the longer term, Qliro AB:s target is to maintain capital buffers of at least 150 bps over the regulatory requirements.

Outlook

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

Profit before tax. Qliro AB has a strong focus on continued fast growth in payment solutions and financial services for consumers. In 2019, the company entered into many new partnerships with merchants which are expected to contribute with significant volumes and income in the years ahead. In the near term, the positive impact on operating profit is however limited as the new merchants are onboarded and volumes gradually build up. As a result, Qliro AB expects a negative profit before tax for the full-year in 2020, mainly related to the first half of the year, until the full effect from new partnerships are materialized.

CDON affirms previous financial targets and comments on outlook for 2020

Financial targets

- Achieve a growth rate in external merchants' gross merchandise value above 20 percent per year.
- Achieve an operating margin before depreciation, amortization and impairment above 3 percent of net sales per year.

Outlook for 2020

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

Nelly affirms previous financial targets and comments on outlook for 2020

Financial targets

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

Outlook for 2020

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

This information is information that Qliro Group AB is required to disclose under the EU Market Abuse Regulation. The information was released for publication through the agency of the below-mentioned contact at 5:50 p.m. on February 4, 2020.

For further 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, lifestyle products and related financial services. Qliro Group operates CDON, the leading Nordic online marketplace, the fashion brand Nelly and Qliro AB, offering financial services to merchants and consumers. Qliro Group's shares are listed on the Nasdaq Stockholm Mid Cap segment under the ticker symbol QLRO.