

Qliro Group

Interim report for 1 January – 30 September 2016

Third quarter¹

- Net sales for continuing operations decreased by 1%, and amounted to SEK 917.1 (930.3) million
- Gross margin for continuing operations, excluding items affecting comparability, rose by 3.0 percentage points to 17.8 % (14.8 %)
- Operating earnings before depreciation and amortization (Ebitda) for continuing operations, excluding items affecting comparability, improved to SEK -12.7 (-18.5) million
- Operating earnings (Ebit) for continuing operations, excluding items affecting comparability, amounted to SEK -31.8 (-28.3) million
- Items affecting comparability affected operating earnings (Ebit) by SEK -20.0 (-13.0) million
- Net income after tax amounted to SEK -45.8 (-32.0) million
- Earnings per share excluding discontinued operations amounted to SEK -0.30 (-0.21) before and after dilution
- Earnings per share including discontinued operations, before and after dilution, amounted to SEK -0.31 (-0.21)
- Cash flow from continuing operations amounted to SEK -109.1 (-111.3) million

First nine months¹

- Net sales for continuing operations amounted to SEK 2,945.1 (2,943.0) million
- Gross margin for continuing operations, excluding items affecting comparability, rose by 1.3 percentage points to 17.0% (15.7%)
- Operating earnings before depreciation and amortization (Ebitda) for continuing operations, excluding items affecting comparability, amounted to SEK -30.0 (-34.2) million
- Operating earnings (Ebit) for continuing operations, excluding items affecting comparability, amounted to SEK -76.8 (-60.9) million
- Items affecting comparability affected operating earnings (Ebit) by -35.4 (-30.9) million
- Net income after tax amounted to SEK -206.4 (-72.2) million
- Earnings per share excluding discontinued operations amounted to SEK -0.64 (-0.49) before and after dilution
- Earnings per share including discontinued operations, before and after dilution, amounted to SEK -1.38 (-0.48)
- Cash flow from continuing operations amounted to SEK -338.3 (-376.1) million

¹ Qliro Group's sale of subsidiary Tretti AB was completed in the third quarter. Thus, continuing operations exclude Tretti, which is recognised under Discontinued operations in the consolidated income statement. Comparative figures in the consolidated income statement and cash flow statement have been adjusted correspondingly. The table below also presents continuing operations.

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	917.1	930.3	-1%	2,945.1	2,943.0	0%
Gross profit	163.1	137.8	18%	501.4	462.7	8%
Gross margin (%)	17.8%	14.8%		17.0%	15.7%	
Operating income before depreciation and amortization (Ebitda)	-12.7	-18.5		-30.0	-34.2	
Operating margin before depreciation and amortization (%)	-1.4%	-2.0%		-1.0%	-1.2%	
Operating income (Ebit)	-31.8	-28.3		-76.8	-60.9	
Operating margin (%)	-3.5%	-3.0%		-2.6%	-2.1%	

Note: The table above excludes items affecting comparability, which are detailed on page 7, and discontinued operations

Doubled operating revenue in Qliro FS and significantly improved profitability in Nelly

During my first two months at Qliro Group, I have focused on getting to know the organisation better, and together with our new CFO, taken a more detailed look at our operations. In general, I am impressed by the growth and opportunities within Qliro Financial Services, the standard of operations within Gymgrossisten as well as by the significant earnings improvements in Nelly. CDON continues to grow its sales to external merchants on CDON Marketplace, but we will need to focus on the balance between this growth and profitability. Lekmer still has clear challenges linked to its warehouse operations, affecting growth as well as earnings, which we are addressing. In summary, we have a very strong platform to build from, but with challenges and opportunities relating to operational efficiency.

Our review of operations has also resulted in the decision to reduce operational risks in the group by introducing a more conservative approach to several aspects of financial accounting policies, i.a. capitalization of development expenditures and inventory management. This has resulted in a negative impact of SEK 20 million in the quarter. We are confident that this approach will provide a clearer picture of our underlying earnings going forward, and enable more efficient governance, tie up less capital and generate improved cash flow.

In parallel, we have initiated a strategy review which we expect to conclude by year-end. We are reviewing each segment and their respective challenges and opportunities, while also conducting a review of the operational structure to evaluate synergies, optimise scalability and highlight the potential of Qliro Financial Services.

Operational efficiency

Qliro Group's sales decreased by one percent in the third quarter, while the gross margin increased by three percentage points to 17.8 percent. The increase was driven by Qliro Financial Services' continued earnings improvement and Nelly's successful efforts in improving its assortment strategy and continued focus on private label. On an overall level, our e-commerce businesses' sales are not growing in line with the market. This, however, is partly reflecting a conscious decision to focus on profitability rather than growth.

A foundation for future growth will be set through more efficient operations, driven by a structured approach focusing on continuous improvement.

As it stands today, Lekmer is not profitable. However, Lekmer has a strong offering towards a segment with high growth potential and the company has also regained high customer satisfaction, showing that the underlying business model is attractive. In order to realise this potential, we will continue to invest time and resources into Lekmer. We have started by strengthening the company's management team and initiated projects focusing on strengthening customer experience, IT-innovation and warehouse efficiency.

Significant potential in financial services

Qliro Financial Services continued to grow strongly, and total revenues increased by 113% in the quarter. Earnings have continuously improved and reached break-even before tax in the quarter. The company remains focused on product development to further broaden and strengthen the offer to both consumers and merchants. Regarding the license application to operate as a credit market company, we expect that the Swedish FSA, Finansinspektionen, will revert with their decision before the end of the year.

Overall, my initial observations are that Qliro Group has well established brands, a strong product portfolio as well as highly skilled and dedicated employees. In a rapidly changing environment, it is necessary to understand and adapt to customer needs and thus to develop a corporate culture that promotes simplicity, speed and innovation. We still have some challenges to overcome within our businesses, but I confidently look forward to working with all employees to create shareholder value by developing a more competitive and stronger group.

Stockholm, October 2016

Marcus Lindqvist, CEO

Forward-looking statement

Qliro Group began a strategy review during the quarter and in conjunction with this also launched a review of the operational structure. The aim is to make processes more efficient, reveal potential synergies between the companies and to refine operations. The strategy review will be completed by year-end. In this context, Qliro Group will review and define new operational and financial targets and has therefore chosen not to communicate any more detailed targets for the remainder of the year.

Qliro Group's present long-term sales target is growth that is consistent with or above that of the market for each segment.

Lekmer reported sales growth in the third quarter compared to the same period last year. However, Ebitda did not improve compared to the second quarter 2016, nor is it expected to be positive in the fourth quarter 2016. Lekmer have initiated a number of projects focusing on operational excellence. Further potential improvements and synergies are being evaluated as part of the group's ongoing strategic review. This replaces the previous forward-looking statement regarding Lekmer: *"During the second half of the year, Lekmer's sales growth is expected to increase on a quarterly basis. Lekmer is expected to require an additional quarter in 2016 to stabilise the warehouse operations in terms of efficiency and costs. Ebitda in the third quarter 2016 is expected to improve compared to the second quarter and Ebitda in the fourth quarter is expected to be positive."*

Provided that the Qliro Group e-commerce businesses deliver sales volumes in line with previous quarters, the objective for Qliro Financial Services remains, as previously announced, to generate positive earnings for the full year 2016 and contribute approximately SEK 100 million to consolidated earnings before tax (EBT) for the full year 2018. During 2016, we expect the same seasonality pattern as in 2015, which means that the result within Qliro Financial Services is expected to gradually improve during 2016. After the first and second quarters' negative results, the third quarter showed a break even result.

No forecast is otherwise being submitted for 2016.

Significant events during and after the third quarter 2016

Marcus Lindqvist assumed the role of CEO of Qliro Group

Marcus Lindqvist assumed the role of CEO of Qliro Group on 1 August 2016. Marcus succeeded Paul Fischbein, who informed the Board of Directors of his intention to step down as CEO in September 2015.

Mathias Pedersen appointed new CFO of Qliro Group

Qliro Group announced on 10 August that Mathias Pedersen had been appointed new Chief Financial Officer of Qliro Group. Mathias assumed his new role on 15 August, succeeding Nicolas Adlercreutz.

Therese Hillman to step down as CEO of Gymgrossisten

On 22 August, Qliro Group announced that Therese Hillman intended to step down as CEO of the subsidiary Gymgrossisten. Therese will remain in her current role until the end of the year and, in connection with the announcement, Qliro Group initiated the process to find a successor.

Sale of Tretti completed

On 31 August, Qliro Group announced that the company had completed the sale of the subsidiary Tretti to WhiteAway after approval from the Swedish Competition Authority. The total consideration amounted to SEK 250 million in cash for all shares in Tretti AB and the wholly owned subsidiary Tretti Danmark ApS, which corresponded to an enterprise value of approximately SEK 190 million before transaction costs.

Nomination Committee convened ahead of Qliro Group's 2017 Annual General Meeting

On 29 September, Qliro Group announced that the Chairman of the Board had convened a Nomination Committee to prepare proposals to the 2017 Annual General Meeting. The Nomination Committee comprises Lars-Johan Jarnheimer as Chairman of the Board of Qliro Group, Cristina Stenbeck representing Kinnevik AB, Christoffer Häggblom representing Rite Ventures, and Tomas Meerits representing Lancelot Asset Management. The members of the Nomination Committee have at their first meeting appointed Cristina Stenbeck as the Nomination Committee Chairman.

Qliro Financial Services signed an agreement regarding increase and extension of existing credit facility

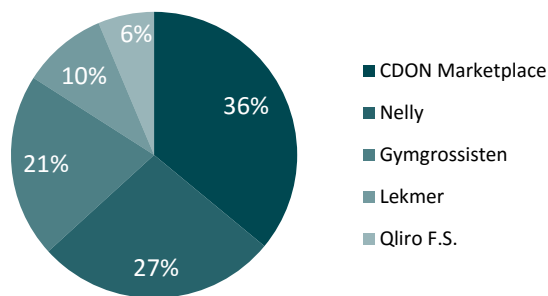
After the end of the third quarter Qliro Financial Services signed an agreement involving an increase and extension of the current credit facility. The facility agreement will support the continued expansion of Qliro Financial Services' loans to the public, especially during the upcoming peak season.

Consolidated financial information in brief, excluding items affecting comparability¹ and discontinued operations

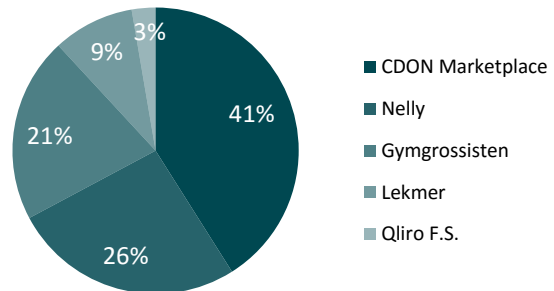
(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	917.1	930.3	-1%	2,945.1	2,943.0	0%
Gross profit	163.1	137.8	18%	501.4	462.7	8%
Gross margin (%)	17.8%	14.8%		17.0%	15.7%	
Operating income before depreciation and amortization (Ebitda)	-12.7	-18.5		-30.0	-34.2	
Operating margin before depreciation and amortization (%)	-1.4%	-2.0%		-1.0%	-1.2%	
Operating income (Ebit)	-31.8	-28.3		-76.8	-60.9	
Operating margin (%)	-3.5%	-3.0%		-2.6%	-2.1%	
Cash flow from operations, excl. QFS ² loans to the public	-70.8	-50.1		-259.4	-219.7	
Cash flow from operations, incl. QFS loans to the public	-109.1	-111.3		-338.3	-376.1	
QFS loans to the public, at end of the period	606.7	337.9		606.7	337.9	
of which externally financed, at end of period	390.2	174.7		390.2	174.7	
Opening inventory balance	500.6	508.5	-2%	622.2	596.4	4%
Closing inventory balance	569.9	608.6	-6%	569.9	608.6	-6%

¹ Presented on page 7² QFS = Qliro Financial Services

Net sales per segment, Jul-Sep 2016



Net sales per segment, Jul-Sep 2015



The sale of the subsidiary Tretti AB was completed during the quarter. Thus, Tretti is recognised under Discontinued operations in the consolidated income statements. Comparative figures in the consolidated income statements and cash flow statements have been adjusted correspondingly. Continuing operations are presented below unless otherwise stated.

Earnings summary

Consolidated net sales decreased by one percent in the third quarter compared to the same period last year. Exchange rate fluctuations had only a marginal impact on sales. Net sales increased somewhat over the first nine months of the year.

Consolidated gross margin, excluding items affecting comparability, improved to 17.8 % (14.8 %) during the quarter despite some negative impact from a more conservative approach to accumulation of inventory. The gross margin for the first nine months rose to 17.0% (15.7%).

Consolidated earnings before depreciation and amortization (Ebitda), excluding items affecting comparability, amounted to SEK -12.7 (-18.5) million in the quarter. Consolidated operating earnings (Ebit), excluding items affecting comparability, amounted to SEK -31.8 (-28.3) million. Operating earnings were negatively impacted by items affecting comparability amounting to SEK -20.0 (-13.0) million in the quarter, which are detailed on page

7. Items affecting comparability for the group's central functions were related to an increased provision due to a more conservative approach to inventory management. Items affecting comparability within CDON and Nelly were attributable to the more conservative approach to development expenditures in the e-commerce businesses and the criteria for capitalising them that was introduced during the quarter.

Consolidated net financial items amounted to SEK -3.0 (-0.3) million for the quarter and were attributed mainly to interest expenses related to Qliro Financial Services and costs for credit facilities.

Consolidated earnings before tax amounted to SEK -54.8 (-41.5) million for the quarter.

The group recognised tax income of SEK 9.6 (9.4) million for the quarter as a result of capitalised tax losses. Earnings after tax for continuing operations totalled SEK -45.2 (-32.0) million and basic and diluted earnings per share totalled SEK -0.30 (-0.21) for the quarter.

The earnings impact from the disposal of Tretti, including Tretti's operating earnings, was recognised as Earnings from discontinued operations and amounted to SEK -0.6 million for the quarter. During the first nine months the corresponding earnings impact amounted to SEK -110.6 million.

Earnings after tax for continuing and discontinued operations amounted to SEK -45.8 (-32.0) million for the quarter. Basic and diluted earnings per share amounted to SEK -0.31 (-0.21) for the quarter.

Cash flow and financial position

Consolidated cash flow from operating activities before changes in working capital amounted to SEK -19.5 (-34.4) million for the quarter. Cash flow from operating activities before changes in working capital for the first nine months amounted to SEK -61.5 (-72.5) million.

Excluding changes in Qliro Financial Services' loans to the public, cash flow from changes in working capital amounted to SEK -51.3 (-15.7) million. Working capital changes during the quarter consisted mainly of seasonally increased inventory levels. Cash flow from operations, excluding changes in Qliro Financial Services' loans to the public, amounted to SEK -70.8 (-50.1) during the quarter.

Qliro Financial Services' loans to the public continued to increase during the quarter, which resulted in a cash flow effect of SEK -38.3 (-61.2) million. Loans to the public amounted to SEK 606.7 (337.6) million at the end of the quarter. Including Qliro Financial Services' loans to the public, cash flow from operations amounted to SEK -109.1 (-111.3) million. Cash flow from operations for the first nine months amounted to SEK -338.3 (-376.1) million.

Consolidated cash flow from investing activities totalled SEK 225.1 (-27.9) million during the quarter. Excluding the sale of Tretti, cash flow to investing activities totalled SEK -24.9 million, of which the majority was attributable to continued product development within Qliro Financial Services.

Cash flow from financing activities in the quarter consisted of changes in Qliro Financial Services' utilization of credit facilities of SEK -20.8 (140.2) million and repayment of a loan from Tretti of SEK -33.0 (-) million.

Cash flow from discontinued operations (Tretti) for the quarter amounted to SEK 21.9 (-22.4) million.

Consolidated cash and cash equivalents amounted to SEK 180.9 (249.1) million at the end of the quarter, compared to SEK 324.2 million at the end of the fourth quarter of 2015. Besides Qliro Financial Services' utilization of SEK 390.2 (174.7) million in credit facilities at the end of the quarter, no other credit facilities were utilized by the group.

Total consolidated assets at the end of the reporting period amounted to SEK 2,071.8 (2,290.9) million. Consolidated equity amounted to SEK 1,005.0 (1,240.5) million at the end of the quarter, compared with SEK 1,205.4 million at the end of the fourth quarter of 2015. The decrease is to a large extent attributable to the earnings impact from the disposal of Tretti.

Summary of items affecting comparability¹

(SEK million)	2016	2015	2016	2015	2015
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Effect on operating income (Ebit)	-20.0	-13.0	-35.4	-30.9	-57.1
CDON	-7.0	-8.4	-22.3	-9.8	-9.8
Nelly	-4.2	0.0	-4.2	0.0	0.0
Gymgrossisten	0.0	-4.6	0.0	-4.6	-4.6
Lekmer	0.0	0.0	0.0	-16.5	-42.7
Central operations	-8.9	0.0	-8.9	0.0	0.0

¹Excluded from the section "Development by segment" on pages 8-13. Items affecting comparability during the third quarter 2016 for the group's central functions were related to an increased provision due to a more conservative approach to inventory management. Items affecting comparability within CDON and Nelly for the same period were attributable to the more conservative approach to development expenditures in the e-commerce businesses and the criteria for capitalising them that was introduced during the quarter.

Development by segment

CDON Marketplace¹

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Gross Merchandise Value, external merchants	84.3	48.1	75%	194.5	135.0	44%
Total Gross Merchandise value ²	410.5	430.5	-5%	1,269.9	1,271.4	0%
Net sales	333.4	386.6	-14%	1,093.3	1,146.7	-5%
Operating income before depreciation and amortization (Ebitda)	-4.7	1.2		-18.3	0.4	
Operating margin before depreciation and amortization (%)	-1.4%	0.3%		-1.7%	0.0%	
Operating income (Ebit)	-10.0	-1.3		-31.6	-6.3	
Operating margin (%)	-3.0%	-0.3%		-2.9%	-0.6%	
Cash flow from operations	2.2	35.1		-146.7	-87.2	
Investments (CAPEX)	-3.0	-6.4		-7.8	-20.5	
Cash flow after investments	-0.9	28.7		-154.4	-107.7	
Opening inventory balance	163.4	164.2	0%	236.2	237.9	-1%
Closing inventory balance	140.2	192.2	-27%	140.2	192.2	-27%
Active customers (thousand) ³	1,699	1,723	-1%	1,699	1,723	-1%
Visits (thousand)	17,289	18,830	-8%	53,858	55,530	-3%
Orders (thousand)	671	726	-8%	2,125	2,214	-4%
Average shopping basket (SEK)	613	594	3%	600	575	4%

¹ Excluding items affecting comparability, which are detailed on page 7

² Commission income is replaced with gross merchandise value from external merchants

³ Past twelve months

CDON Marketplace is one of the leading online marketplaces in the Nordics with a wide product range that covers everything from home electronics to sports & leisure, clothing and toys. Gross merchandise value, net sales plus sales generated for external merchants, decreased by five percent in the quarter, while it was in line with the previous year for the first nine months. Sales generated for external merchants increased by 75% during the quarter to SEK 84.3 (48.1) million, and by 44 % to SEK 194.5 (135.0) million for the first nine months. Net sales decreased by 14% in the quarter and by five percent for the first nine months. Sales were only marginally affected by exchange rate effects in the quarter.

The partnership with Adlibris.com, which was launched in the latter part of the second quarter, meant that Adlibris' large assortment of books was made available on CDON Marketplace. In conjunction with this, CDON phased out own book sales. The transition had a negative effect on net sales in the quarter but contributed to the increase in sales generated for external merchants, while also leading to a reduction in inventory levels compared with the previous year.

Operating earnings (Ebit) amounted to SEK -10.0 (-1.3) million, for the third quarter and SEK -31.6 (-6.3) million for the first nine months. The result in the third quarter excluded items affecting comparability of SEK -7.0 million, related to impairment of previously capitalized development expenditures.

Nelly¹

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	252.5	246.5	2%	851.5	838.6	2%
Operating income before depreciation and amortization (Ebitda)	7.0	-7.4		20.6	-9.9	
Operating margin before depreciation and amortization (%)	2.8%	-3.0%		2.4%	-1.2%	
Operating income (Ebit)	1.0	-9.4		3.9	-15.4	
Operating margin (%)	0.4%	-3.8%		0.5%	-1.8%	
Cash flow from operations	-36.7	-50.4		-37.9	-62.5	
Investments (CAPEX)	-3.2	-4.4		-11.1	-15.4	
Cash flow after investments	-39.9	-54.8		-49.0	-77.9	
Opening inventory balance	191.2	205.0	-7%	189.8	196.2	-3%
Closing inventory balance	232.7	258.3	-10%	232.7	258.3	-10%
Active customers (thousand) ²	1,157	1,261	-8%	1,157	1,261	-8%
Visits (thousand)	21,695	27,186	-20%	76,817	99,316	-23%
Orders (thousand) ³	527	545	-3%	1,898	1,963	-3%
Average shopping basket (SEK)	696	646	8%	650	616	5%

As of the first quarter of 2016 the segment includes 100% of warehousing operations in Falkenberg (CGL)

¹ Excluding items affecting comparability, which are detailed on page 7

² Past twelve months

³ Recognised before returns

Nelly comprises the online stores Nelly.com, NLYman.com and Members.com. Nelly's net sales increased by two percent in the quarter and by two percent for the first nine months. Net sales in the core Nordic market increased by almost six percent in the quarter, driven by strong growth in Sweden and Norway. The share of sales generated in Sweden increased to 53% (52%). Total growth was dampened by lower sales in markets outside of the Nordics. Net sales were only marginally affected by exchange rate effects in the quarter.

Nelly's marketing efforts were to a greater extent focused on existing customers, which was reflected in a lower number of visits and orders in the third quarter. This was offset by a higher average order value. The share of private label sales increased with six percentage points in the third quarter and amounted to 38% (32%). The product margin increased to 44% compared to 42% in the same quarter last year, primarily due to increased private label sales and an improved assortment strategy.

Operating earnings (Ebit) for the quarter increased by more than SEK 10 million compared to the year before, amounting to SEK 1.0 (-9.4) million. The earnings improvement for the quarter is mainly a result of increased sales and an improved product margin. Operating earnings for the first nine months amounted to SEK 3.9 (-15.4) million, entailing an improvement of nearly SEK 20 million. The result in the third quarter excluded items affecting comparability of SEK -4.2 million, related to impairment of previously capitalized development expenditures.

Other data	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Share, private label sales	38%	32%	6%	38%	35%	3%
Return ratio ¹	33%	33%	1%	33%	33%	1%
Product margin ²	44%	42%	2%	44%	45%	0%
Fulfillment and distribution costs	21%	21%	0%	22%	21%	0%
Nordics, share of net sales	94%	91%	3%	92%	89%	3%

¹ Past twelve months

² Historical figures adjusted for comparison reasons, due to changed calculation method

Gymgrossisten¹

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	192.8	197.1	-2%	609.7	648.5	-6%
Operating income before depreciation and amortization (Ebitda)	13.3	13.3		44.1	44.4	
Operating margin before depreciation and amortization (%)	6.9%	6.8%		7.2%	6.9%	
Operating income (Ebit)	12.4	12.6		41.6	42.1	
Operating margin (%)	6.4%	6.4%		6.8%	6.5%	
Cash flow from operations	6.5	8.2		44.4	58.2	
Investments (CAPEX)	-0.8	-0.7		-3.6	-4.1	
Cash flow after investments	5.7	7.5		40.8	54.1	
Opening inventory balance	84.9	81.4	4%	112.2	97.1	16%
Closing inventory balance	89.3	78.6	14%	89.3	78.6	14%
Active customers (thousand) ²	574	563	2%	574	563	2%
Visits (thousand)	5 310	5,343	-1%	17,713	17,914	-1%
Orders (thousand)	282	261	8%	882	872	1%
Average shopping basket (SEK)	691	760	-9%	697	748	-7%

¹ Excluding items affecting comparability, which are detailed on page 7

² Past twelve months

Gymgrossisten comprises the online stores Gymgrossisten, Bodystore, Milebreaker and Fitness Market Nordic, which sells nutritional supplements primarily to grocery stores. Net sales decreased by two percent in the quarter and by six percent for the first nine months. Sales were only marginally affected by exchange rate effects in the quarter.

The measures taken by Gymgrossisten to ensure strong profitability continued to show results, which lead to a higher product margin in the quarter. The higher product margin compensated for the slightly lower sales, in line with the strategy in the relatively mature market for protein products.

The categories protein-rich foods, natural products and clothing showed healthy growth during the quarter and the broadened range within these categories has been well received by the customers. Bodystore, which focuses on health foods, a segment with high growth potential, continued to develop well in the third quarter.

Operating earnings before depreciation, Ebitda, was unchanged and amounted to SEK 13.3 (13.3) million in the third quarter, corresponding to a slightly improved Ebitda-margin of 6.9% (6.8%). Operating earnings (Ebit) amounted to SEK 12.4 (12.6) million in the third quarter and SEK 41.6 (42.1) million for the first nine months, corresponding to an improved Ebit-margin of 6.8% (6.5%).

Other data	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Share, private label sales	44%	44%	-1%	45%	44%	1%
Product margin	36%	34%	2%	37%	34%	3%
Fulfillment and distribution costs	14%	13%	1%	14%	13%	1%

Lekmer¹

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	89.0	86.6	3%	276.3	278.7	-1%
Operating income before depreciation and amortization (Ebitda)	-22.2	-12.5		-53.8	-18.3	
<i>Operating margin before depreciation and amortization (%)</i>	-25.0%	-14.4%		-19.5%	-6.6%	
Operating income (Ebit)	-22.9	-12.9		-55.7	-19.6	
<i>Operating margin (%)</i>	-25.7%	-14.9%		-20.1%	-7.0%	
Opening inventory balance	61.0	57.8	6%	84.0	65.0	29%
Closing inventory balance	107.7	79.2	36%	107.7	79.2	36%
Active customers (thousand) ²	415	438	-5%	415	438	-5%
Visits (thousand)	6,257	6,331	-1%	18,542	18,337	1%
Orders (thousand)	148	166	-11%	464	494	-6%
Average shopping basket (SEK)	622	546	14%	613	584	5%

¹ Excluding items affecting comparability, which are detailed on page 7

² Past twelve months

Lekmer includes the online store Lekmer.com and a physical store in Barkarby outside of Stockholm. Net sales increased by three percent in the quarter compared with the same period last year, while sales for the first nine months decreased by one percent. Sales were only marginally affected by exchange rate effects in the quarter.

The average shopping basket increased during the quarter, which compensated for a lower number of orders compared to the same period last year. A seasonal increase in inventory levels was performed in preparation for the important fourth quarter sales.

As it stands today, Lekmer is not profitable. Lekmer has a strong offering towards a segment with high growth potential. The company has also regained high customer satisfaction, showing that the underlying business model is attractive. In order to realise this potential, time and resources will continue to be invested into Lekmer. As a start, the management team has been strengthened and projects focusing on strengthening customer experience, IT-innovation and warehouse efficiency, have been initiated.

Operating earnings (Ebit) amounted to SEK -22.9 (-12.9) million in the third quarter and SEK -55.7 (-19.6) million for the first nine months. The decreased earnings in the quarter were primarily related to a lower gross margin, where the group's more conservative approach to accumulation of inventory had a somewhat negative effect, and continued high fulfilment costs. Delivery quality from the warehouse in Arlandastad remains good and customer ratings are high. Lekmer's work to increase productivity at the warehouse has continued during the quarter.

Qliro Financial Services

(SEK million)	2016	2015	Change	2016	2015	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Interest income	16.8	6.1		42.9	11.3	
Other income	41.6	21.3		111.3	57.2	
Total operating revenue	58.4	27.4	113%	154.2	68.5	125%
Administrative expenses ¹	-31.4	-19.9	58%	-86.1	-56.8	52%
Other operating expenses	-22.5	-12.3	83%	-66.8	-36.9	81%
Operating income before depreciation and amortization (Ebt _{da}) ²	4.5	-4.9		1.3	-25.2	
Operating income (Ebt) ²	0.0	-6.6		-8.9	-30.3	
Loans to the public	606.7	337.9		606.7	337.9	
of which externally financed	390.2	174.7		390.2	174.7	
Business volume	694	612	14%	2,113	1,643	29%
Orders (thousand)	764	737	4%	2,384	2,007	19%
Average shopping basket (SEK)	909	830	9%	886	819	8%

¹ Historical figures adjusted for comparability, where financial costs have been included in administrative expenses instead of previously in financial net, please see the segment table on page 21

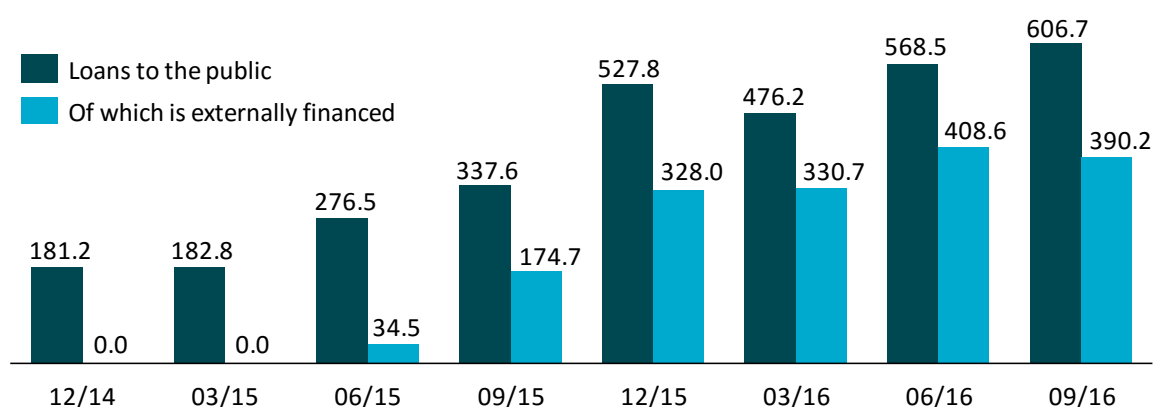
² Ebt and Ebt_{da} presented instead of the previous Ebit and Ebit_{da}

Qliro Financial Services comprises the payment and consumer financing solution Qliro, a service that enables safe online shopping for consumers.

Financial development

Qliro Financial Services developed strongly and the operating income reached break-even during the third quarter. The business volume increased by 14% compared with the same period last year. Total operating revenue increased by 113% in the third quarter and by 125% during the first nine months. Loans to the public amounted to SEK 606.7 (337.9) million at the end of the quarter. Loan book growth is driven by the number and size of credits issued, as well as the repayment rate of each credit. The lending was financed in the amount of SEK 390.2 (174.7) million via a contracted credit facility and the remainder through own funding.

The loan book's development and composition is also the main driver of income, and thereby earnings, in the company. A credit issued during a specific period will generate income for several periods thereafter. This affects how the company's income per transaction develops.



After the end of the third quarter the company signed an agreement involving an increase and extension the current credit facility. The facility agreement will support the continued expansion of the loan book, especially during the upcoming peak season.

Commercial development

Sales activities towards merchants outside of Qliro Group are continuously increasing, partly due to the internally developed payment solution Qliro One. Qliro One is a complete checkout solution for digital commerce, where Qliro together with selected partners can offer the most popular payment methods – for example invoice, part payment, credit card and direct bank payments – in one integrated solution. Qliro One was launched during the quarter on a number of pilot sites and will be rolled out on a larger scale in the fourth quarter 2016 and the beginning of 2017.

Qliro continuously works with product development in order to broaden and strengthen its offer to consumers and merchants. The latest example is the service Qliro Click, which will be launched shortly and allows customers to pay their invoices using just one click on “My pages” on Qliro.com.

The segment had approximately 150 full-time employees at the end of the quarter.

Parent company

The parent company, Qliro Group AB, reported sales of SEK 4.7 (6.2) million in the third quarter and SEK 12.9 (15.2) million for the first nine months of the year. Net income amounted to SEK -14.9 (-5.7) million for in the quarter and SEK -133.7 (-16.0) million for the first nine months of the year. Cash and cash equivalents in the parent company amounted to SEK 167.4 (181.7) million at the end of the quarter.

Accounting policies

This report has been 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 accounting policies in the Group's consolidated financial statements and the parent company's financial statements have been prepared according to the same accounting policies and calculation methods as the 2015 annual accounts.

Risks and uncertainties

Several factors could affect Qliro Group's earnings and operations, most of which can be managed through internal procedures but some of which are largely controlled by external factors. Risks and uncertainties include IT and control systems, suppliers, seasonal variations and currencies, new market entries, changes in market conditions and changes in e-commerce spending behaviour. The parent company is also subject to interest rate risks. The 2015 annual report contains a more comprehensive description of the risks and uncertainty factors affecting the Group in the Management Report and under Note 21.

Transactions with related parties

Related party transactions for the parent company and the group are presently of the same character as described in the 2015 annual report.

Other information

2017 Annual General Meeting

Qliro Group's 2017 Annual General Meeting (AGM) will be held on 8 May 2017, in Stockholm, Sweden. Shareholders wishing to have a matter addressed at the AGM should send a written request to ir@qlirogroup.com or to Qliro Group AB (publ), attn: Company Secretary, Box 195 25, SE-104 32 Stockholm, Sweden. To be certain that a matter can be included in the notice of the AGM, the request must be received no later than seven weeks prior to the AGM. Further details on how and when to give notice to attend will be published in advance of the AGM.

Nomination Committee for the 2017 AGM

In accordance with the resolution of the 2016 Annual General Meeting, the Chairman of the Qliro Group Board of Directors has convened a Nomination Committee to prepare proposals to the 2017 Annual General Meeting. The Nomination Committee comprises Lars-Johan Jarnheimer as Chairman of the Board of Qliro Group, Cristina Stenbeck representing Kinnevik AB, Christoffer Häggblom representing Rite Ventures, and Tomas Meerits representing Lancelot Asset Management. The members of the Nomination Committee have at their first meeting appointed Cristina Stenbeck as the Nomination Committee Chairman.

Shareholders wishing to propose candidates for election to the Qliro Group Board of Directors should submit their proposals in writing to ir@qlirogroup.com or to Qliro Group AB (publ), attn: Company Secretary, P.O. Box 195 25, SE-104 32 Stockholm, Sweden.

CDON Alandia

Finnish customs authorities are investigating a subsidiary of CDON AB, Åland-based CDON Alandia, on suspicion of tax fraud. Like other companies in the industry, CDON.com has chosen to serve its Finnish customers from Åland. The company has been in operation since 2007 and 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.

In late 2015, the Finnish Tax Administration, had, pertaining to the financial year 2012, decided to impose an additional tax of approx. EUR 3.8 million and a tax increase of approx. EUR 1.9 million against CDON AB's

Finnish subsidiary CDON Alandia AB. CDON Alandia maintains that the company acted correctly and is in compliance with applicable legislation, and in the first quarter of 2016 it appealed the decision to the administrative court in Helsinki, Finland.

Results for the fourth quarter and full year 2016

Qliro Group's year-end report for 2016 (earnings for the fourth quarter and financial year ended on 31 December 2016) will be published on 25 January 2017.

20 October 2016

Marcus Lindqvist
CEO

Qliro Group AB (publ.)
Corporate Domicile (styrelsens säte): Stockholm
Corp. Reg. No. 556035-6940
Postal address: P.O. Box 195 25, SE-104 32, Stockholm, Sweden
Visiting address: Sveavägen 151, SE-113 46 Stockholm, Sweden

The company will host a conference call today at 10:00 CET.

To participate in the conference call, please dial:

Sweden: +46 8 5065 3942
International: +44 20 7026 5967
US: +1 719-457-1036

The pin code to access this call is 1375992.

To listen to the conference call online, please go to www.qlirogroup.com.

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

Marcus Lindqvist, Chief Executive Officer
Tel: +46 10 703 20 00

Mathias Pedersen, Chief Financial Officer
Tel: +46 10 703 20 00

Questions from media, investors and research analysts:

Erik Löfgren, Head of Communications
Tel: +46 700 80 75 06

E-mail: press@qlirogroup.com, ir@qlirogroup.com

About Qliro Group

Qliro Group is a leading e-commerce group in the Nordic region. Since the start in 1999, the Group has expanded and broadened its product portfolio and is now a leading e-commerce player in consumer goods and lifestyle products through CDON.com, Lekmer, Nelly (Nelly.com, NLYman.com, Members.com) and Gymgrossisten (Gymgrossisten.com/Gymsector.com, Bodystore.com, Milebreaker.com and Fitness Market Nordic). The group also comprises the payment and consumer financing solution Qliro. In 2015, the group generated over 4.4 billion SEK in revenue. Qliro Group's shares are listed on Nasdaq Stockholm's Mid-cap list under short name "QLRO".

This information is information that Qliro Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08:00 CET on 20 October 2016.

Review report

Qliro Group AB (publ)
Corporate ID number 556035-6940

Introduction

We have reviewed the summary interim financial information (interim report) of Qliro Group AB (publ) as of 30 September 2016 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 20 October 2016
KPMG AB

Cronie Wallquist
Authorised Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Net sales	917.1	930.3	2,945.1	2,943.0	4,430.6
Cost of goods and services	-763.0	-795.3	-2,452.6	-2,500.4	-3,798.3
Gross profit	154.2	135.0	492.5	442.6	632.3
Sales and administration expenses	-203.2	-176.2	-606.6	-539.6	-772.0
Other operating income and expenses, net	-2.9	-0.1	1.9	5.2	15.9
Operating profit or loss	-51.9	-41.2	-112.1	-91.8	-123.8
Net interest & other financial items	-3.0	-0.3	-7.0	-3.4	-7.0
Profit or loss before tax	-54.8	-41.5	-119.2	-95.3	-130.9
Tax	9.6	9.4	23.3	22.3	28.5
Net profit or loss for continued operations	-45.2	-32.0	-95.8	-73.0	-102.4
Net profit or loss for discontinued operations	-0.6	0.0	-110.6	0.8	0.7
Total net profit or loss for continued and discontinued operations	-45.8	-32.0	-206.4	-72.2	-101.6
EBITDA	-21.6	-31.5	-54.2	-65.1	-85.1
<i>Attributable to:</i>					
Equity holders of the parent	-45.8	-32.0	-205.7	-71.5	-101.6
Non-controlling interests	-	-	-0.7	-0.7	0.0
Net income for the period	-45.8	-32.0	-206.4	-72.2	-101.6
Basic earnings per share (excluding discontinued operations) before and after dilution (SEK)	-0.30	-0.21	-0.64	-0.49	-0.69
Basic earnings per share (including discontinued operations) before and after dilution (SEK)	-0.31	-0.21	-1.38	-0.48	-0.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE CONDENSED (SEK million)	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Profit or loss for the period	-45.8	-32.0	-206.4	-72.2	-101.6
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation difference for the period	1.4	-0.5	4.7	-1.8	-7.9
Other comprehensive income for the period	1.4	-0.5	4.7	-1.8	-7.9
Total comprehensive income for period	-44.4	-32.5	-201.8	-74.0	-109.5
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	-44.4	-32.5	-201.1	-73.3	-109.4
Non-controlling interests	-	-	-0.7	-0.7	0.0
Total comprehensive income for the period	-44.4	-32.5	-201.8	-73.9	-109.5

Shares outstanding at period's end	149,269,779	149,269,779	149,269,779	149,269,779	149,269,779
Average number of shares, basic and diluted	149,269,779	149,269,779	149,269,779	149,269,779	149,269,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2016 30-Sep	2015 30-Sep	2015 31-Dec
Non-current assets			
Goodwill	211.7	455.9	455.3
Other intangible assets	251.7	277.1	294.2
Total intangible assets	463.3	733.0	749.5
Tangible assets	29.9	34.8	37.1
Financial assets	-	1.6	-
Deferred tax asset	129.4	94.7	95.2
Total non-current assets	622.6	864.1	881.8
Current assets			
Inventories	569.9	691.0	702.0
Loans to the public	606.7	337.6	527.8
Non-interest bearing receivables	91.6	149.1	215.3
Cash and cash equivalents	180.9	249.1	324.2
Total current assets	1,449.2	1,426.8	1,769.3
Total assets	2,071.8	2,290.9	2,651.1
Equity			
Equity attributable to owners of the parent	1,005.0	1,240.5	1,204.8
Non-controlling interest	-	-	0.7
Total equity	1,005.0	1,240.5	1,205.4
Non-current liabilities			
<i>Non interest bearing</i>			
Deferred tax liability	12.5	22.7	23.4
Other provisions	5.9	4.0	3.3
Total non-current liabilities	18.4	26.7	26.7
Current liabilities			
Short term interest bearing loans	390.2	174.7	328.0
Current non-interest bearing liabilities	658.2	849.0	1,091.0
Total current liabilities	1,048.4	1,023.7	1,419.0
Total equity and liabilities	2,071.8	2,290.9	2,651.1

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

CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Cash flow from operating activities	-19.5	-34.4	-61.5	-72.5	-94.5
Changes in working capital	-89.6	-76.9	-276.8	-303.6	-308.3
Cash flow from operations	-109.1	-111.3	-338.3	-376.1	-402.9
Investments in subsidiaries ¹	-0.7	-	-0.7	-0.5	-0.5
Investments in other non-current assets	-24.2	-27.9	-63.3	-80.4	-112.0
Divested operations ²	250.0	-	250.0	-	-
Cash flow to/from investing activities	225.1	-27.9	186.0	-81.0	-112.5
Utilised credit facilities ³	-20.8	140.2	56.8	174.7	330.3
Other cash flow from/to financing activities ⁴	-33.0	-	-33.0	-	-
Cash flow to/from financing activities	-53.8	140.2	23.8	174.7	330.3
Change in cash and cash equivalents for the period from continued operations	62.2	1.0	-128.5	-282.4	-185.1
<i>Cash flow from discontinued operations</i>					
Cash flow from operations	-11.0	-22.0	4.2	3.4	-17.1
Cash flow from investing activities	-0.1	-0.5	-1.9	-4.4	-5.2
Cash flow from financing activities ⁴	33.0	-	33.0	-	-
Change in cash and cash equivalents for the period from discontinued operations	21.9	-22.4	35.3	-1.0	-22.3
Change in cash and cash equivalents for the period	84.1	-21.4	-93.3	-283.3	-207.4
Cash and cash equivalents at period's start	144.9	271.6	324.2	534.0	534.0
Translation difference, cash and cash equivalents	0.6	-1.0	1.6	-1.5	-2.3
Less cash from discontinued operations	-48.7	-	-51.6	-	-
Cash and cash equivalents at period's end	180.9	249.1	180.9	249.1	324.2

¹ Investments in subsidiaries Jan-Sep 2016 comprises earn out of SEK 0.7 million to founders of Fitness Market Nordic AB

² Divested operations Jan-Sep 2016 comprises consideration related to the sale of Tretti AB

³ Utilised credit facilities within Qliro Financial Services

⁴ Other cash flow from/to financing activities comprises repayment of internal loan to Tretti AB related to the sale of Tretti AB

STATEMENT OF CHANGES IN EQUITY CONDENSED (SEK million)	2016 30-Sep	2015 30-Sep	2015 31-Dec
Opening balance January	1,205.4	1,314.5	1,314.5
Comprehensive income for the period	-201.8	-74.0	-109.5
Effects of long term incentive program	1.4	0.2	0.5
Closing balance	1,005.0	1,240.5	1,205.4

NET SALES BY SEGMENT (SEK million)	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2016 Jan-Sep	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2015 Jan-Sep	2015 Full year
CDON	333.4	356.9	403.1	1,093.3	706.9	386.6	337.6	422.5	1,146.7	1,853.5
Lekmer	89.0	96.8	90.6	276.3	203.1	86.6	97.2	95.0	278.7	481.8
Nelly ¹	252.5	331.0	268.0	851.5	358.4	246.5	337.7	254.4	838.6	1,197.0
Gymgrossisten	192.8	198.1	218.8	609.7	203.4	197.1	205.5	245.9	648.5	851.9
Total operational business areas	867.7	982.7	980.5	2,830.8	1,471.7	916.7	978.0	1,017.8	2,912.5	4,384.2
Qliro Financial Services	58.8	47.9	41.3	147.9	34.6	25.3	21.2	16.3	62.8	97.5
Group central operations	1.1	1.8	2.0	4.9	34.6	26.9	34.2	35.8	97.0	131.6
<i>Of which CGL AB¹</i>	-	-	-	-	31.7	26.9	34.2	35.8	97.0	128.7
Eliminations	-10.4	-13.8	-14.3	-38.5	-53.4	-38.7	-45.0	-45.6	-129.3	-182.7
CONSOLIDATED TOTAL	917.1	1,018.5	1,009.4	2,945.1	1,487.6	930.3	988.3	1,024.4	2,943.0	4,430.6
Intersegment sales from other										
CDON	4.8	4.8	6.5	16.1	10.1	6.3	5.3	5.8	17.4	27.6
Lekmer	1.2	1.1	1.1	3.4	2.1	0.9	1.0	1.2	3.1	5.2
Nelly ¹	3.4	4.9	3.5	11.7	4.7	3.4	3.5	2.8	9.7	14.4
Gymgrossisten	1.1	1.0	1.1	3.2	1.1	1.1	0.8	0.1	2.0	3.1
Qliro Financial Services	0.7	0.3	0.3	1.2	0.7	0.2	0.1	0.1	0.5	1.1
Group central operations ¹	-0.8	1.8	1.9	2.9	34.8	26.7	34.2	35.6	96.6	131.3
Total	10.4	13.8	14.3	38.5	53.4	38.7	45.0	45.6	129.3	182.7
OPERATING PROFIT BY SEGMENT (SEK million)										
	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2016 Jan-Sep	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2015 Jan-Sep	2015 Full year
CDON	-17.0	-11.6	-25.4	-53.9	15.2	-9.7	-5.8	-0.6	-16.1	-0.9
Lekmer	-22.9	-13.3	-19.4	-55.7	-41.5	-12.9	-2.8	-20.4	-36.2	-77.7
Nelly ¹	-3.1	10.6	-7.7	-0.3	-4.1	-9.4	3.2	-9.2	-15.4	-19.4
Gymgrossisten	12.4	12.9	16.3	41.6	10.0	8.0	10.6	19.0	37.6	47.6
Total operational business areas	-30.6	-1.5	-36.2	-68.2	-20.3	-24.1	5.2	-11.2	-30.1	-50.4
Qliro Financial Services	1.9	-2.4	-3.7	-4.1	1.1	-6.2	-10.2	-13.1	-29.5	-28.3
Eliminations ²	0.4	0.9	1.3	2.5	-2.8	-1.0	-1.4	-1.9	-4.3	-7.2
Group central operations ¹	-23.6	-8.8	-9.9	-42.4	-10.0	-9.9	-8.9	-9.0	-27.9	-37.9
CONSOLIDATED TOTAL	-51.9	-11.8	-48.5	-112.1	-32.0	-41.2	-15.4	-35.2	-91.8	-123.8
INVENTORIES BY SEGMENT (SEK million)										
	2016 30-Sep	2016 30-Jun	2016 31-Mar		2015 31-Dec	2015 30-Sep	2015 30-Jun	2015 31-Mar		
CDON	140.2	163.4	186.8		236.2	192.2	164.2	170.3		
Lekmer	107.7	61.0	74.6		84.0	79.2	57.8	59.5		
Nelly ¹	232.7	191.2	244.5		189.5	258.3	205.0	252.3		
Gymgrossisten	89.3	84.9	92.3		112.2	78.6	81.4	80.4		
Tretti	-	80.6	85.3		79.8	82.4	77.1	74.5		
Total operational business areas	569.9	581.1	683.5		701.7	690.7	585.4	637.0		
Group central operations ¹	-	-	-		0.3	0.2	0.2	0.1		
CONSOLIDATED TOTAL	569.9	581.1	683.5		702.0	691.0	585.6	637.1		

¹ CDON Group Logistics (CGL) included in Nelly as from Q1 2016, as CGL only conducts warehouse operations for Nelly (after CDON's and Lekmer's move from the warehouse in Falkenberg during 2015).

² Elimination of transactions between Qliro Financial Services and internal clients, due to differences in phasing of revenues/costs.

PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)					
	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Net Sales	4.7	6.2	12.9	15.2	19.9
Gross profit	4.7	6.2	12.9	15.2	19.9
Administration expenses	-19.3	-16.1	-46.3	-46.0	-61.0
Operating profit or loss	-14.5	-9.9	-33.4	-30.8	-41.1
Profit or loss from shares in subsidiaries	-0.8	-	-102.9	-	-25.8
Net interest & other financial items	-3.5	2.7	-6.0	10.3	17.5
Profit or loss after financial items	-18.8	-7.3	-142.3	-20.5	-49.4
Group contribution received	-	-	-	-	41.9
Group contribution paid	-	-	-	-	-154.1
Profit or loss before tax	-18.8	-7.3	-142.3	-20.5	-161.6
Tax	4.0	1.6	8.7	4.5	29.7
Net income or Net loss for the period	-14.9	-5.7	-133.7	-16.0	-131.9
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)					
Profit or loss for period	-14.9	-5.7	-133.7	-16.0	-131.9
Other comprehensive income	-	-	-	-	-
Total comprehensive income for period	-14.9	-5.7	-133.7	-16.0	-131.9

PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2016 30-Sep	2015 30-Sep	2015 31-Dec
Non-current assets			
Other intangible assets	0.0	1.6	1.6
Equipment	1.8	2.6	2.5
Shares and participating interests in group companies	723.9	848.6	863.0
Deferred tax asset	102.0	68.1	93.3
Total non-current assets	827.7	921.0	960.4
Current assets			
Current interest-bearing receivables	0.4	-	0.0
Current non-interest-bearing receivables	7.0	4.5	6.7
Receivables from Group companies	324.0	552.1	343.0
Total current receivables	331.4	556.6	349.8
Cash and bank	167.4	181.7	280.6
Total cash and cash equivalents	167.4	181.7	280.6
Total current assets	498.8	738.3	630.3
Total assets	1,326.5	1,659.3	1,590.8
Equity			
Restricted equity	301.7	301.7	301.7
Unrestricted equity	752.9	1,000.7	885.2
Total equity	1,054.6	1,302.4	1,186.9
Provisions			
Other provisions	1.8	1.5	0.9
Total provisions	1.8	1.5	0.9
Current liabilities			
Short term interest bearing loans	57.0	90.0	90.0
Liabilities to Group companies	199.3	251.5	297.1
Non-interest-bearing liabilities	13.9	14.0	16.0
Total current liabilities	270.2	355.5	403.0
Total liabilities	271.9	357.0	403.9
Total equity and liabilities	1,326.5	1,659.3	1,590.8

KEY RATIOS	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2016 Jan-Sep	2015 Oct-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2015 Jan-Sep	2015 Full year
GROUP										
Sales growth (%)	-1.4	3.1	-1.5	0.0	2.4	-3.0	4.3	4.6	1.9	2.1
Change in operating expenses (%)	15.3	6.7	15.3	12.4	17.5	26.7	6.9	15.1	15.2	16.1
Operating margin (%)	-5.7	-1.2	-4.8	-3.8	-2.2	-4.4	-1.6	-3.4	-3.1	-2.8
Gross profit margin (%)	16.8	18.0	15.4	16.7	12.8	14.5	16.7	13.9	15.0	14.3
Return on capital employed (%)	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	48.5	46.9	50.3	48.5	45.4	54.1	61.0	62.0	61.0	45.4
Net debt (SEK million)	209.4	260.8	191.9	209.4	3.8	-74.4	-237.1	-287.3	-237.1	3.8
Cash flows from operations (SEK million)	-109.1	-25.0	-204.3	-338.3	-26.8	-111.3	-38.2	-226.7	-376.1	-402.9
Earnings per share (SEK) ¹	-0.30	-0.08	-0.26	-0.64	-0.20	-0.21	-0.07	-0.20	-0.49	-0.69
Equity per share (SEK) ²	6.73	7.03	7.82	6.73	8.07	8.31	8.52	8.60	8.52	8.07
Depreciation/Net sales (%)	3.3	1.4	1.3	2.0	0.8	1.0	0.9	0.8	0.9	0.9
Capital Expenditure/Net sales (%)	2.6	2.1	1.8	2.1	2.1	3.0	2.9	2.3	2.7	2.5
No. of active customers (thousand)	3,845	3,858	3,914	3,845	3,957	3,985	4,020	3,980	3,985	3,957
No. of visits (thousand)	50,551	56,297	60,082	166,930	81,396	57,690	64,544	68,864	191,098	272,494
No. of orders (thousand)	1,628	1,878	1,862	5,369	2,723	1,699	1,882	1,963	5,543	8,266
Average shopping basket (SEK)	654	637	616	635	625	631	628	595	617	620
CDON										
No. of active customers (thousand)	1,699	1,710	1,705	1,699	1,729	1,723	1,732	1,739	1,723	1,729
No. of visits (thousand)	17,289	16,110	20,459	53,858	31,236	18,830	16,613	20,087	55,530	86,767
No. of orders (thousand)	671	664	790	2,125	1,285	726	652	836	2,214	3,500
Average shopping basket (SEK)	613	620	573	600	616	594	583	552	575	590
Lekmer										
No. of active customers (thousand)	415	410	411	415	414	438	435	420	438	414
No. of visits (thousand)	6,257	5,895	6,390	18,542	10,513	6,331	5,869	6,136	18,337	28,849
No. of orders (thousand)	148	155	161	464	366	166	170	157	494	859
Average shopping basket (SEK)	622	633	585	613	556	546	587	622	584	572
Nelly										
No. of active customers (thousand)	1,157	1,178	1,237	1,157	1,243	1,261	1,288	1,271	1,261	1,243
No. of visits (thousand)	21,695	28,607	26,515	76,817	34,067	27,186	35,999	36,131	99,316	133,383
No. of orders (thousand)	527	770	601	1,898	804	545	779	638	1,963	2,767
Average shopping basket (SEK)	696	634	631	650	627	646	636	567	616	620
Gymgrossisten										
No. of active customers (thousand) ³	574	560	561	574	570	563	565	550	563	570
No. of visits (thousand)	5,310	5,685	6,718	17,713	5,580	5,343	6,062	6,509	17,914	23,495
No. of orders (thousand)	282	289	310	882	268	261	280	331	872	1,140
Average shopping basket (SEK)	691	688	711	697	753	760	738	747	748	749

Key ratios have been adjusted to enable historical comparisons (e.g. Tretti has been excluded).

¹ Earnings per share for the periods Jan-Sep 2016 and Jan-Dec 2015 have been calculated on the average number of outstanding shares for the respective periods. The weighted average number of shares for the period Jan-Sep 2016 is 149,269,779 and for the full year 2015 the weighted average number of shares amounted to 149,269,779.

² Calculated on present number of shares, which per Sep 2016 amounts to 149,269,779.

³ Historical numbers adjusted due to updated methodology for calculation of active customers.

BRIDGE TO NON-GAAP FINANCIAL MEASURES

Certain key figures set out in this Report and Accounts include measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. We consider the following, so called Non-GAAP financial measures, to be useful to investors because it provides a basis for measuring our operating performance – together with comparable GAAP financial measures.

Non-GAAP financial measures should not be considered isolated from, or as a substitute for, financial information presented in compliance with GAAP.

Non-GAAP measures reported by us may not be comparable with similarly titled amounts reported by other companies.

EBITDA

EBITDA is a measure that Qliro Group considers to be relevant to an investor who wants to understand the generation of earnings before depreciation related to investments in tangible and intangible assets. Qliro Group defines *Earnings Before Interest, Tax, Depreciation and Amortization* (EBITDA) as operating profit from continuing operations excluding depreciation of tangible and intangible assets

EBITDA (Jan-Sep 2016) (SEK million)	CDON	Nelly	Gymgrossisten	Lekmer	Qliro FS	Central operations	Group
EBITDA, continued operations	-33.6	20.6	44.1	-53.8	8.6	-40.0	-54.2
Items affecting comparability	-15.3	-	-	-	-	-8.9	-24.2
Adjusted EBITDA, continued operations	-18.3	20.6	44.1	-53.8	8.6	-31.1	-30.0
Depreciation and amortization, continued operations	-20.4	-20.8	-2.4	-1.8	-10.2	-2.3	-57.9
EBIT, continued operations	-53.9	-0.3	41.6	-55.7	-1.6	-42.3	-112.1
Items affecting comparability	-7.0	-4.2	-	-	-	-	-11.1
Adjusted EBIT, continued operations	-31.6	3.9	41.6	-55.7	-1.6	-33.4	-76.8

EBITDA (Jul-Sep 2016) (SEK million)	CDON	Nelly	Gymgrossisten	Lekmer	Qliro FS	Central operations	Group
EBITDA, continued operations	-4.7	7.0	13.3	-22.2	6.7	-21.8	-21.6
Items affecting comparability	-	-	-	-	-	-8.9	-8.9
Adjusted EBITDA, continued operations	-4.7	7.0	13.3	-22.2	6.7	-12.9	-12.7
Depreciation and amortization, continued operations	-12.3	-10.1	-0.9	-0.6	-4.5	-1.8	-30.2
EBIT, continued operations	-17.0	-3.1	12.4	-22.9	2.3	-23.6	-51.9
Items affecting comparability	-7.0	-4.2	-	-	-	-	-11.1
Adjusted EBIT, continued operations	-10.0	1.0	12.4	-22.9	2.3	-14.7	-31.8

Note 1

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