

Qliro Group

Interim report for 1 January – 30 September 2017

SIGNIFICANTLY IMPROVED OPERATING INCOME

THIRD QUARTER¹

- Net sales increased by 5.5 per cent to SEK 868.1 (822.6) million
- The gross margin increased by 5.6 percentage points to 23.6 (18.0) per cent
- Operating income before depreciation, amortization and impairment was SEK 22.0 (-1.3) million
- Operating income totaled SEK 3.4 (-30.9) million
- Basic and diluted earnings per share including discontinued operations improved to SEK -0.01 (-0.31)
- Cash and cash equivalents amounted to SEK 433.8 (180.9) million at the end of the quarter

FIRST NINE MONTHS¹

- Net sales increased by 3.9 per cent to SEK 2,765.7 (2,662.0) million
- The gross margin increased by 5.1 percentage points to 22.7 (17.6) per cent
- Operating income before depreciation, amortization and impairment was SEK 69.3 (-5.2) million
- Operating income totaled SEK 13.0 (-61.3) million
- Basic and diluted earnings per share including discontinued operations improved to SEK -0.20 (-1.38)

SEK million	2017	2016	Δ	2017	2016	Δ
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	868.1	822.6	6%	2,765.7	2,662.0	4%
Gross profit	204.9	148.0	38%	627.6	469.3	34%
<i>Gross margin (%)</i>	23.6%	18.0%		22.7%	17.6%	
Operating income before depreciation and amortization	22.0	-1.3		69.3	-5.2	
Operating margin before depreciation and amortization (%)	2.5%	-0.2%		2.5%	-0.2%	
Operating income	3.4	-30.9		13.0	-61.3	
<i>Operating margin (%)</i>	0.4%	-3.8%		0.5%	-2.3%	
Cash flow from operations	-33.7	-119.7		-121.6	-215.7	

¹Tretti AB was divested in the third quarter of 2016 and Lekmer AB in the second quarter of 2017. These companies are recognized as discontinued operations in the Group. Comparative figures in the income statements and cash flow statements present continuing operations. Continuing operations are recognized in the report unless otherwise stated. In addition, interest expenses in Qliro Financial Services have been included in cost of sales and services in the consolidated financial statements since 2017 and have been adjusted for the comparative periods.

No items affecting comparability are recognized for the first nine months of 2017. In this report, historical comparisons have not been adjusted for items affecting comparability as previously done.

SIGNIFICANTLY IMPROVED OPERATING INCOME

Qliro Group has further strengthened its position in digital commerce in the Nordic region during the quarter. We have made progress in line with the strategic priorities communicated at the beginning of the year. Our e-commerce operations have increased sales, gross margin and operating margin. Qliro Financial Services leverages these volumes and expands its business and offering. Adding financial services broadens our position in the value chain and further improves our prospects for profitable growth.

Growth and strengthened gross margin

Consolidated net sales increased by 6 per cent (4 per cent adjusted for exchange rate fluctuations), while the gross margin was strengthened by 5.6 percentage points to 23.6 per cent in the quarter. The increase was driven by CDON Marketplace's growth, Nelly's growth and profitability, and Qliro Financial Services' expansion. We are also pleased with the cash flow generated in Health and Sports Nutrition Group.

Growth in CDON Marketplace creates economies of scale

CDON Marketplace's gross merchandise value increased by 8 per cent in the quarter, despite the negative impact of a new tax on sales of home electronics in Sweden. We continue to invest in building the leading digital marketplace in the Nordic region. We are confident that this is the right way to go in the long-term even if it involves increased costs for technology and marketing. Growth for CDON Marketplace drives volume and economies of scale for the entire Group, including Qliro Financial Services.

Nelly correctly positioned for profitable growth

Nelly's sales increased by 10 per cent to SEK 278 million, and operating income before depreciation, amortization and impairment increased by SEK 17 million to SEK 24 million in the quarter. This was partly driven by a high share of own brands in relation to total sales as well as by customer loyalty. Like CDON Marketplace, Nelly's growth drives volume for Qliro Financial Services.

Qliro Financial Services launched new services

Qliro Financial Services increased its operating income by 28 per cent to SEK 56 million and operating profit before depreciation, amortization and impairment increased to SEK 11 million in the quarter. We continue to launch new services, and private loans were gradually introduced in Sweden during the quarter.

Increased cash flow in Health and Sports Nutrition Group

Net sales for Health and Sports Nutrition Group decreased by 5 per cent to SEK 183 million during the quarter. Bodystore (health food) and Fitness Market Nordic (wholesale) are growing, but sales decreased for Gymgrossisten in Sweden. We continue to focus on cash flow, which increased to SEK 53 million for the first nine months. As previously announced, we are looking for potential partnerships and evaluating strategic alternatives to create additional shareholder value.

Leading platform for digital commerce

Qliro Group's goal is to be the leading Nordic platform for digital commerce with complementary financial services. The focus is on CDON Marketplace, Nelly and Qliro Financial Services.

The strategy for Qliro Financial Services is to create a finance company with a strong offer of payment and financial services that simplifies the everyday lives of consumers. The focus is on launching attractive, customer-friendly and innovative financial services. We take additional advantage of the relationships and business volume generated through the Group's e-commerce resulting in low customer acquisition costs. At the same time we ensure that our e-tailers offer simple and efficient payment methods with good conversion rates. Qliro Financial Services extends the relationship with consumers after their online purchases. This increases customer loyalty and provides an opportunity to offer new services.

The e-commerce market is changing quickly. During the year, our confidence has been boosted in our strategic focus on expanding the marketplace, strengthening our own fashion brands, more efficient logistics, taking advantage of data-driven customer relationships and expanding our role in the value chain with financial services. We continue to implement our strategy with continuous improvements and investments.

Stockholm, October 2017

Marcus Lindqvist, President and CEO

LONG-TERM FINANCIAL TARGETS

Qliro Group's long-term financial targets are:

CDON Marketplace

- Reach a level of organic growth in gross merchandise value of an average of 10 per cent per year.
- Generate operating profit before depreciation, amortization and impairment of 1-2 per cent of gross merchandise value.

Fashion (Nelly and NLYMan)

- Reach a level of organic growth of an average of 8 per cent per year.
- Generate operating margin before depreciation, amortization and impairment of at least 6 per cent.

Qliro Financial Services

- Reach an operating profit before depreciation, amortization and impairment of at least SEK 150 million by 2019.

The priority for Health and Sports Nutrition Group (former Gymgrossisten segment) is continuous improvement of operating earnings and cash flows along with development of the brand.

SIGNIFICANT EVENTS DURING AND AFTER THE THIRD QUARTER 2017

Patrik Illerstig left Qliro Financial Services

On August 10, Qliro Group announced that Patrik Illerstig, Head of Qliro Financial Services, tendered his resignation from Qliro Group and the company initiated the recruitment process for a successor.

Qliro launched private loans in Sweden

On 4 September, Qliro Group's subsidiary Qliro AB initiated the gradual launch of private lending in Sweden. Private loans will complement Qliro AB's core services such as payments, part payments and invoices. The service is completely digital. Initially, individuals can borrow between SEK 20,000 and SEK 350,000 without collateral.

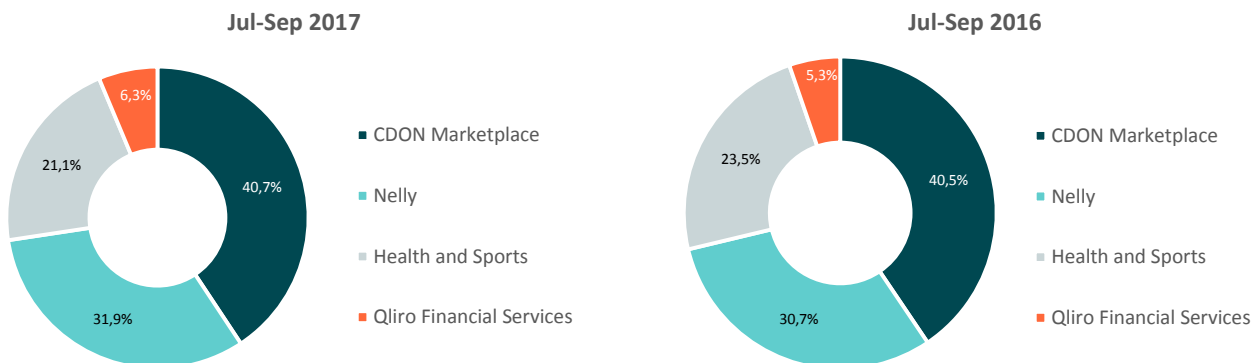
FINANCIAL INFORMATION FOR THE THIRD QUARTER IN BRIEF, EXCLUDING DISCONTINUED OPERATIONS¹

Consolidated financial figures are divided into the categories E-commerce and Qliro Financial Services. E-commerce consists of the CDON Marketplace, Nelly, and Health and Sports Nutrition Group segments along with the Group's central operations. Lekmer and Tretti are reported as discontinuing operations and are consequently excluded below. Interest expenses in Qliro Financial Services have been included in cost of goods sold in the consolidated financial statements since 1 January 2017 and recalculated comparative numbers are presented for comparability. See pages 12 and 25 for more information.

Third quarter SEK million	E-commerce			Qliro Financial Services			Eliminations		Qliro Group		
	2017 Jul-Sep	2016 Jul-Sep	Δ	2017 Jul-Sep	2016 Jul-Sep	Δ	2017 Jul-Sep	2016 Jul-Sep	2017 Jul-Sep	2016 Jul-Sep	Δ
Net sales	814.1	781.8	4%	54.9	42.2	30%	-0.9	-1.5	868.1	822.6	6%
Gross profit	165.8	124.1	34%	38.8	23.6	65%	0.2	0.4	204.9	148.0	38%
Gross margin (%)	20.4%	15.9%		70.7%	55.8%		-	-	23.6%	18.0%	
Operating income before depreciation and amortization	10.6	-6.2		11.1	4.5	147%	0.2	0.4	22.1	-1.3	193%
Operating margin before depreciation and amortization (%)	1.3%	-0.8%		20.3%	10.7%		-	-	2.5%	-0.2%	
Operating income	-0.4	-31.2		3.6	0.0		0.2	0.4	3.4	-30.9	
Operating margin (%)	0.0%	-4.0%		6.5%	0.1%		-	-	0.4%	-3.8%	
Net financial items	-2.4	-0.8		-0.1	0.0		-	-	-2.5	-0.8	
Income before tax	-2.8	-32.1		3.5	0.0		0.2	0.4	1.0	-31.7	
Cash flow from operations	-71.6	-64.6		37.9	-55.1		-	-	-33.7	-119.7	
Qliro FS net loans to the public, at end of period	-	-		827.0	570.4	45%	-	-	827.0	570.4	45%
Qliro FS external finance, at end of period	-	-		662.6	390.2	70%	-	-	662.6	390.2	70%
Opening inventory balance	415.7	439.6	-13%	-	-		-	-	415.7	439.6	-5%
Closing inventory balance	484.2	462.2	-5%	-	-		-	-	484.2	462.2	5%

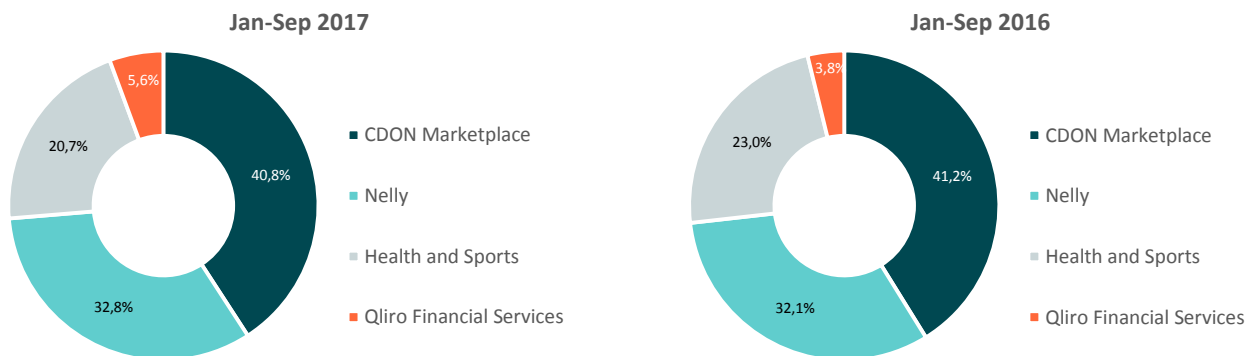
¹Tretti AB was divested in the third quarter of 2016 and Lekmer AB was divested in the second quarter of 2017. These companies are recognized as discontinued operations in the Group. Comparative figures in the income statements and cash flow statements present continuing operations. Continuing operations are recognized in the table above and in the text of following pages unless otherwise stated.

Sales per segment in the quarter



First nine months SEK million	E-commerce			Qliro Financial Services			Eliminations		Qliro Group		
	2017 Jan-Sep	2016 Jan-Sep	Δ	2017 Jan-Sep	2016 Jan-Sep	Δ	2017 Jan-Sep	2016 Jan-Sep	2017 Jan-Sep	2016 Jan-Sep	Δ
Net sales	2,614.0	2,564.6	2%	156.0	101.5	54%	-4.3	-4.1	2,765.7	2,662.0	4%
Gross profit	525.9	410.4	28%	102.8	56.4	82%	-1.1	2.5	627.6	469.3	34%
Gross margin (%)	20.1%	16.0%		65.9%	55.6%		-	-	22.7%	17.6%	
Operating income before depreciation and amortization	55.4	-8.9		15.0	1.3		-1.1	2.5	69.3	-5.2	
Operating margin before depreciation and amortization (%)	2.1%	-0.3%		9.6%	1.2%		-	-	2.5%	-0.2%	
Operating income	18.6	-54.9		-4.5	-8.9		-1.1	2.5	13.0	-61.3	
Operating margin (%)	0.7%	-2.1%		-2.9%	-8.8%		-	-	0.5%	-2.3%	
Financial items	-6.1	-2.0		-0.2	0.0		-	-	-6.3	-2.0	
Income before tax	12.5	-56.9		-4.7	-8.9		-1.1	2.5	6.7	-63.3	
Cash flow from operations	-201.4	-234.2		79.9	18.4		-	-	-121.6	-215.7	
Qliro FS net loans to the public, at end of period	-	-		827.0	570.4	45%	-	-	827.0	570.4	45%
Qliro FS external finance, at end of period	-	-		662.6	390.2	70%	-	-	662.6	390.2	70%
Opening inventory balance	453.0	538.2	-16%	-	-		-	-	453.0	538.2	-16%
Closing inventory balance	484.2	462.2	5%	-	-		-	-	484.2	462.2	5%

Sales by segment in the first nine months



Earnings summary

Consolidated net sales increased by 6 per cent during the quarter to SEK 868.1 (822.6) million and by 4 per cent during the first nine months to SEK 2,765.7 (2,662.0) million. Adjusted for exchange rate fluctuations, growth was 4 per cent for the quarter and 3 per cent for the first nine months.

The consolidated gross margin increased by 5.6 percentage points to 23.6 (18.0) per cent for the quarter and by 5.1 percentage points to 22.7 (17.6) per cent for the first nine months. The improvement was mainly driven by Nelly and Qliro Financial Services.

Consolidated operating income before depreciation, amortization and impairment was SEK 22.0 (-1.3) million for the quarter and SEK 69.3 (-5.2) million for the first nine months.

Consolidated operating income improved by SEK 34.3 million to SEK 3.4 (-30.9) million for the quarter and amounted to SEK 13.0 (-61.3) million for the first nine months.

Consolidated net financial items amounted to SEK -2.5 (-0.8) million for the quarter and SEK -6.3 (-2.0) million for the first nine months. This includes interest and transaction costs for the Group's bond. Qliro Financial Services' interest expenses are regarded as operating expenses and have been recognized as cost of goods sold since 1 January 2017, and recalculated comparative numbers are presented for comparability.

Consolidated earnings before tax for continuing operations improved by SEK 32.7 million to SEK 1.0 (-31.7) million for the quarter and amounted to SEK 6.7 (-63.3) million for the first nine months.

The Group recognized a tax expense of SEK -0.7 (4.9) million for the quarter and SEK -1.8 (11.4) million for the first nine months.

Consolidated earnings after tax for continuing operations improved by SEK 27.1 million to SEK 0.3 (-26.8) million for the quarter and amounted to SEK 4.9 (-51.9) million for the first nine months. Earnings after tax for the total of continuing and discontinued operations improved by SEK 43.8 million to SEK -2.0 (-45.8) million for the quarter and amounted to SEK -30.2 (-206.4) million for the first nine months. Earnings per share for the total of continuing and discontinued operations, before and after dilution, amounted to SEK -0.01 (-0.31) for the quarter and -0.20 (-1.38) for the first nine months.

Cash flow and financial position

Consolidated cash flow from operating activities before changes in working capital improved by SEK 28.5 million to SEK 28.2 (-0.3) million for the quarter and by SEK 82.8 million to SEK 71.7 (-11.1) million for the first nine months.

Cash flow from changes in working capital in e-commerce operations amounted to SEK -89.1 (-60.3) million for the quarter following an inventory build-up before the upcoming seasonally strong quarter. For the first nine months the corresponding cash flow was SEK -257.9 (-220.1) million. In the first quarter of 2017, CDON Alandia made a payment of EUR 5.9 million attributable to the tax claim previously made by the Finnish Tax Administration for the 2012 financial year. The amount was recognised as a non-interest-bearing liability in the balance sheet.

Cash flow from changes in working capital in Qliro Financial Services amounted to SEK 27.2 (-59.1) million for the quarter and SEK 64.6 (15.5) million for the first nine months. This was made up of a combination of increased loans to the public (payments, part payments and private loans), deposits from the public (savings accounts) and reduced utilization of credit facilities. Consolidated cash flow from operations after changes in working capital amounted to SEK -33.7 (-119.7) million for the quarter and SEK -121.6 (-215.7) million for the first nine months. Consolidated cash flow from investing activities amounted to SEK -27.9 (225.3) million for the quarter and SEK -80.5 (187.9) million for the first nine months. Investments were made mainly in Qliro Financial Services and CDON Marketplace.

Cash flow from financing activities totaled SEK 0.0 (-10.0) million for the quarter and SEK 274.4 (-10.0) million for the first nine months. This year's cash flow was mainly affected in the second quarter as a result of Qliro Group AB's bond issue of SEK 250 million and the refinancing of internal loans related to the divestment of Lekmer.

Consolidated cash and cash equivalents including translation differences amounted to SEK 433.8 (180.9) million at the end of the quarter. Total consolidated assets at the end of the reporting period amounted to SEK 2,691.5 (2,071.8) million. The divestment of Lekmer in 2017 decreased consolidated assets compared with the previous year, which was offset by Qliro Financial Services' increased lending to the public. Consolidated equity amounted to SEK 999.5 (1,005.0) million at the end of the quarter.

Items affecting comparability in previous reports

No items affecting comparability are recognized for the first nine months of 2017. In this report, historical comparisons have not been adjusted for items affecting comparability as previously done. The table below lists previously reported items affecting comparability.

SEK million	2017 July-Sep	2016 July-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Jan-Dec
Effect on operating income	0.0	-20.0	0.0	-35.4	-35.4
CDON Marketplace	0.0	-7.0	0.0	-22.3	-22.3
Nelly	0.0	-4.2	0.0	-4.2	-4.2
Group central operations	0.0	-8.9	0.0	-8.9	-8.9

CDON MARKETPLACE STRENGTHENS ITS OFFERING

SEK million	2017	2016	Δ	2017	2016	Δ
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Gross merchandise value, external merchants	101.9	84.3	21%	309.1	194.5	59%
Total gross merchandise value ¹	445.4	410.5	8%	1,409.6	1,269.9	11%
Net sales	353.5	333.4	6%	1,130.1	1,093.3	3%
Operating income before depreciation and amortization	-12.2	-4.7		-31.0	-33.6	
Operating margin before depreciation and amortization (%)	-3.4%	-1.4%		-2.7%	-3.1%	
Operating income	-16.3	-17.0		-46.5	-53.9	
Operating margin (%)	-4.6%	-5.1%		-4.1%	-4.9%	
Cash flow from operations	-19.4	2.2		-260.3	-146.7	
Investments (CAPEX)	-7.2	-3.0		-14.3	-7.8	
Cash flow after investments	-26.6	-0.9		-274.6	-154.4	
Opening inventory balance	166.2	163.4	2%	186.1	236.2	-21%
Closing inventory balance	169.4	140.2	21%	169.4	140.2	21%
Active customers past twelve months (thousand)	1,723	1,699	1%	1,723	1,699	1%
Visits (thousand)	18,245	17,289	6%	56,962	53,858	6%
No. of orders, thousands	663	671	-1%	2,093	2,125	-2%
Average shopping basket, SEK	665	613	8%	663	600	10%

¹ Commission income is replaced with gross merchandise value from external retailers for CDON Marketplace

CDON Marketplace is a leading digital marketplace in the Nordic region. The growth target is based on the gross merchandise value, which is the sum of own sales and external merchant sales. The goal is to achieve a level of long-term organic growth in gross merchandise value of an average of 10 per cent per year and generate operating profit before depreciation, amortization and impairment of 1-2 per cent of gross merchandise value. CDON Marketplace's growth drives volume and economies of scale for the entire group.

Progress in conversion to a marketplace

CDON Marketplace's gross merchandise value increased by 8 per cent in the quarter and 11 per cent for the first nine months, even though a tax on some electronics products was introduced in Sweden on 1 July that affected sales negatively in the quarter. External merchant sales increased by 21 per cent to SEK 101.9 million due to existing merchants increasing sales and new merchants joining the marketplace. Net sales rose by 6 per cent to SEK 353.5 million, driven by own sales and growing commission income from external merchants. Cash flow from operations was SEK -19 million, following inventory build-up ahead of the seasonally strong fourth quarter.

The approximately 1,500 external merchants accounted for 23 per cent of gross merchandise value. The focus is on adding leading online merchants with strong positions in their respective categories. It is important to combine sales from external merchants with own sales, to optimize the product range and drive traffic.

Consumers turn to CDON.COM to purchase various products at the same site as well as to take advantage of competitive prices, easy payments and efficient delivery. During the quarter, the number of visits increased by 6 per cent to 18.2 million.

Continued investment in building the marketplace

CDON Marketplace continues to invest in building the leading digital marketplace in the Nordic region. This is strategically important and results in increased costs for technology and marketing. Gross profit after shipping and warehousing costs increased in the quarter. Recruitment (primarily in IT) increased personnel costs by SEK 2.9 million and marketing costs increased by SEK 1.9 million. Operating income before depreciation, amortization and impairment decreased to SEK -12.2 (-4.7) million and operating income amounted to SEK -16.3 (-17.0) million.

NELLY CONTINUES TO INVESTS IN OWN BRANDS

SEK million	2017	2016	Δ	2017	2016	Δ
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	277.5	252.5	10%	909.2	851.6	7%
Operating income before depreciation and amortization	23.7	7.0	238%	81.8	20.6	297%
<i>Operating margin before depreciation and amortization (%)</i>	8.5%	2.8%		9.0%	2.4%	
Operating income	18.2	-3.1		64.8	-0.3	
<i>Operating margin (%)</i>	6.6%	-1.2%		7.1%	0.5%	
Cash flow from operations	-59.7	-36.7		30.6	-37.9	
Investments (CAPEX)	-1.4	-3.2		-5.1	-11.1	
Cash flow after investments	-61.2	-39.9		25.5	-49.0	
Opening inventory balance	169.6	191.2	-11%	159.8	189.8	-16%
Closing inventory balance	234.0	232.7	1%	234.0	232.7	1%
Active customers past twelve months (thousand)	1,178	1,157	2%	1,178	1,157	2%
Visits (thousand)	23,408	21,695	8%	77,289	76,817	1%
Orders before returns (thousand)	580	527	10%	1,927	1,898	2%
Average shopping basket, SEK	719	696	3%	698	650	7%
<i>Other data, change in percentage points</i>						
Percentage of private label sales	42%	38%	4	42%	38%	4
Return ratio (last twelve months)	34%	33%	1	34%	33%	1
Product margin	53%	41%	12	51%	43%	8
Fulfilment and distribution costs	17%	21%	-4	18%	22%	-4
Nordics, share of net sales	93%	94%	-1	93%	92%	1

Nelly offers fashion for young women through Nelly.com and for men through NLYMAN. Nelly's long-term target is to achieve organic growth of 8 per cent per year on average and generate an operating margin before depreciation, amortization and impairment of at least 6 per cent.

Nelly has grown every year since its inception in 2007 and its operating income has been positive during the last six quarters. An important success factor is the own brand initiatives, and increased efficiency through reduced costs for logistics and personnel in relation to sales.

Growth in net sales and earnings

Net sales increased by 10 per cent to SEK 277.5 million in the third quarter. This was driven primarily by Nelly attracting new customers through its highly popular own brands and its marketing efforts, including the drama series Filter and the main sponsorship of Fashion Week in Stockholm.

The product margin increased from 41 per cent to 53 per cent, partly due to higher shares of own brands and better inventory management resulting in fewer clearance sales during the quarter. Operating income before depreciation, amortization and impairment improved by SEK 16.7 million to SEK 23.7 million. The result was positively affected by SEK 5.8 million resulting from divestment of the assets in the Members.com shopping club on 3 July. Lowered logistics costs also contributed to increased profitability.

Strong own brands

Nelly is one of the largest online fashion companies in the Nordic region, with over 300 employees, a strong offering of own brands and a well-curated portfolio of approximately 200 external brands. More than 25 people work in the company's design and purchasing department to produce clothes under their own brands. This provides a unique offering and fosters customer loyalty, as well as contributes to the company's profitability. During the quarter, 42 per cent of sales came from own brands.

One of the Nordics' strongest fashion brands online

Nelly's investment in the customer experience and digital marketing has led to strong brand loyalty. Nelly is one of the most well-known fashion brands online among women aged 18 to 29 in the Nordics. Nelly is a frontrunner in mobile sales and social media, and over half of its visits and purchases are made using mobile devices. During the autumn, the company launched a second season of the drama series Filter, which helped increase the number of visitors.

QLIRO FINANCIAL SERVICES¹ EXPANDS PRODUCT OFFERING

SEK million	2017	2016	Δ	2017	2016	Δ
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Interest income	54.9	42.2	30%	156.0	101.5	54%
Interest expense	-3.9	-1.9	112%	-12.4	-4.8	160%
Net interest income	51.0	40.3	26%	143.6	96.7	48%
Net fee and commission income	2.4	2.7	-10%	6.3	5.7	11%
Other operating income	2.9	0.9	219%	8.0	6.3	27%
Total operating income	56.3	43.9	28%	158.0	108.8	45%
Other operating expenses	-39.5	-28.0	41%	-122.4	-85.8	43%
Depreciation, amortization and impairment	-7.5	-4.5	69%	-19.5	-10.2	92%
Total operating expenses	-47.0	-32.5	45%	-142.0	-95.9	48%
Net credit losses	-5.6	-11.4	-51%	-20.6	-21.7	-5%
Operating profit or loss	3.6	0.0		-4.5	-8.9	
Operating profit before depreciation and amortization	11.1	4.5		15.0	1.3	
Loans to the public, net ²	827.0	570.4	45%	827.0	570.4	45%
Externally financed	662.6	390.2	70%	662.6	390.2	70%
Public deposits	444.6	0.0		444.6	0.0	
Business volume	848	694	22%	2,622	2,113	24%
No. of orders, thousands	894	764	17%	2,692	2,384	13%
Average shopping basket, SEK	949	909	4%	974	886	10%

¹ In connection with subsidiary Qliro AB receiving authorization as a credit market company in March 2017, Qliro Group changed its internal presentation of the Qliro Financial Services segment, and recalculated comparative numbers are presented for comparability. See pages 12 and 25 for more information.

² Loans to the public are recognized at net value (previously recognized at gross value)

The Qliro Financial Services segment consists of the credit market company Qliro AB, which offers financial services to merchants and consumers. The segment's target is to reach an operating profit before depreciation, amortization and impairment of at least SEK 150 million in 2019.

Growing business volume

Qliro Financial Services' total operating income increased by 28 per cent to SEK 56.3 million, driven by increased lending to the public. Lending to the public increased by 45 percent, while business volume increased by 22 percent to SEK 848 million.

Increased costs for new initiatives

Qliro Financial Services continues to recruit at a rapid pace, primarily for commercial, technical and regulatory roles. As a result, personnel costs increased by approximately SEK 6 million compared with the same period last year. At the end of the quarter, Qliro Financial Services had 189 employees. The initiatives contributed to an increase in operating expenses to SEK -47.0 (-32.5) million. Operating profit before depreciation and amortization increased to SEK 11.1 (4.5) million during the quarter. The decrease in credit losses during the quarter was due to divestments of a portfolio of consumer credits in default and that provisions for credit losses in the third quarter last year was unusually high.

Strengthening of offering to merchants

Qliro continuously strengthens its offering to merchants and gradually takes in new external merchants as customers. During the summer, the payment solution with invoice and part payments was launched in Norway. This made the offering significantly more attractive to large Nordic online merchants as it now covers all four large markets.

New services for consumers

At the same time, the consumer offering is being expanded. During the quarter, private loans were introduced in Sweden to broaden the offer of financial services to consumers. Private loans complement Qliro's main services such as payments, part payments and invoices. The offering is based on thorough credit checks, and the company's intention is to gradually increase the volume in Sweden. Initially, individuals can borrow SEK 20,000 to SEK 350,000 without collateral with a duration of 2 to 15 years and an individual interest rate. This lending was launched during the quarter and proceeds in line with plans.

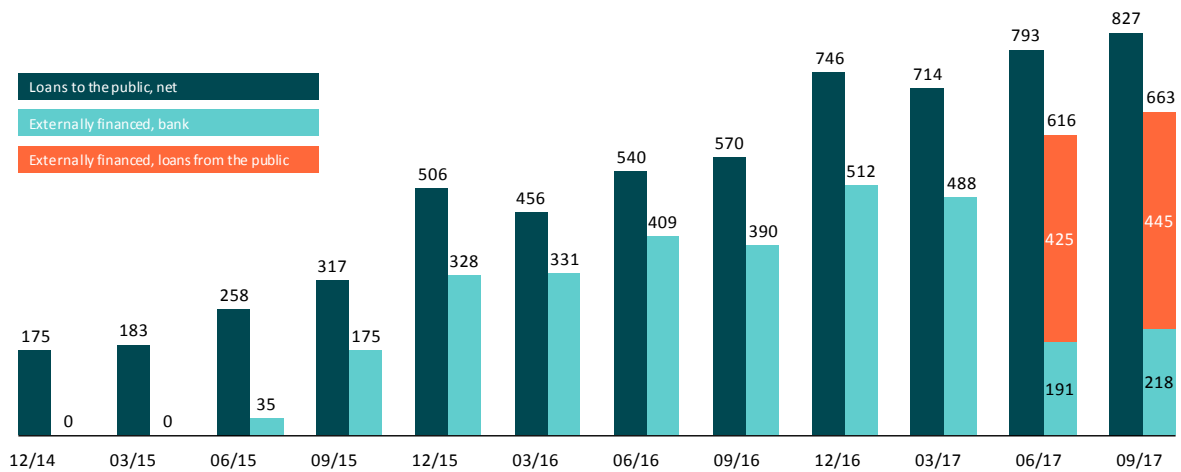
Capital adequacy and sources of funding

Qliro AB is under the supervision of the Swedish Financial Supervisory Authority (FI). The capital base was SEK 222 million, the total risk exposure amount was SEK 864 million and the total capital ratio was 26 per cent of the risk exposure as of 30 September 2017. Qliro Group contributes capital when needed to Qliro AB to support its growth and capital requirements.

Net lending to the public amounted to SEK 827 (570) million at the end of the quarter. Exposures in default was SEK 46 million at the end of the quarter. The lending was financed through SEK 218 (390) million via a secured credit facility and SEK 445 million through deposits from the public (savings accounts). During the quarter, the company lowered interest rates on savings accounts to balance the volume with the financing requirement in Swedish kronor. Funding through the secured credit facility is mainly used for sales finance to the public (invoice and part payment) in other Nordic countries.

Recruitment of new Head of Qliro Financial Services

The recruitment process for a permanent Head of Qliro Financial Services is in progress since Patrik Illerstig left his position. Eva-Lotta Berg Ljungström has been appointed Interim Head of Qliro Financial Services. She has previously held senior positions at GE Capital as Head of GE Capital Fleet Services in Europe and Asia and as CEO of GE Capital in the Nordic region.



HEALTH AND SPORTS NUTRITION GROUP INCREASED CASH FLOW

SEK million	2017			2016		
	Jul-Sep	Jul-Sep	Δ	Jan-Sep	Jan-Sep	Δ
Net sales	183.0	192.8	-5%	572.5	609.7	-6%
Operating income before depreciation and amortization	9.2	13.3	-31%	31.7	44.1	-28%
<i>Operating margin before depreciation and amortization (%)</i>	5.0%	6.9%		5.5%	7.2%	
Operating income	7.9	12.4	-37%	27.8	41.6	-33%
<i>Operating margin (%)</i>	4.3%	6.4%		4.9%	6.8%	
Cash flow from operations	14.7	6.5	126%	53.3	44.4	20%
Investments (CAPEX)	-3.4	-0.8		-5.5	-3.6	
Cash flow after investments	11.4	5.7	98%	47.7	40.8	17%
Opening inventory balance	79.9	84.9	-6%	107.1	112.2	-5%
Closing inventory balance	80.8	89.3	-10%	80.8	89.3	-10%
Active customers past twelve months, thousand	587	574	2%	587	574	2%
Visits, thousand	4,755	5,310	-10%	15,607	17,713	-12%
No. of orders, thousands	288	282	2%	848	882	-4%
Average shopping basket, SEK	641	691	-7%	682	697	-2%
<i>Other data, change in percentage points</i>						
Percentage of private label sales	42%	44%	-2	42%	45%	-3
Product margin	36%	36%	0	36%	37%	-1
Fulfilment and distribution costs	13%	14%	-1	13%	14%	-1

The Health and Sports Nutrition Group segment consists of Gymgrossisten (dietary supplements and exercise equipment), Bodystore (health food online) and Fitness Market Nordic (wholesale operations). The segment is focused on improving profitability and cash flow. As previously announced, the group is looking for partnerships and evaluating strategic alternatives for HSNB to create greater shareholder value.

Strong cash flow

Net sales for Health and Sports Nutrition Group decreased by 5 per cent during the quarter. The decline occurred mainly in Gymgrossisten in the Nordics, whereas Bodystore and Fitness Market Nordic grew and accounted for 18 (15) per cent of the segment's sales. In line with the strategic focus, cash flow from operations increased to SEK 53.3 (44.4) million during the first nine months, of which SEK 14.7 (6.5) million during the quarter.

Product portfolio management and omnichannel strategy

Exercise and health is a growth market. Health and Sports Nutrition Group's new management team has identified strategic opportunities based on the strong product portfolio suitable for omnichannel distribution. The product strategy is to continually develop its own branded products, primarily Star Nutrition, which maximizes performance, and Vitaprana with organic ingredients. During the autumn, Star Nutrition extended its product portfolio with 24 new products, phased out old products and launched a new graphic profile and new marketing materials. Private labels accounted for 42 per cent of sales in the quarter.

The omnichannel strategy aims to make the products available close to the customers, especially before, during and after training. The channel strategy is based on co-operation between online sales, branded stores and retailers. The gymgrossisten.com and bodystore.com sites are among the largest in their categories. More than half the visits and transactions are made via mobile devices. Online sales are complemented by the franchise business and 33 stores are now being run with the Gymgrossisten brand. In addition, Fitness Market Nordic is a driving force for getting dietary supplements into retail shops and gyms such as SATS Elixia. During the quarter, another 14 new products were listed as convenience goods at Coop and ICA. Bodystore has an organic profile and sales increased by 13 per cent to SEK 74 million in the first nine months.

Operating income before depreciation, amortization and impairment reached SEK 9.2 (13.3) million for the quarter, corresponding to a margin of 5.0 (6.9) per cent. Marketing initiatives within Bodystore increased costs by SEK 1.6 million in the quarter. Higher whey prices increased the cost of goods sold with SEK 3 million in the quarter and SEK 7 million for the first nine months. In addition decreased sales impacted results negatively.

Discontinued operation (Lekmer and Tretti)

On 30 June 2017, Qliro Group completed the sale of Lekmer AB to Babyshop Sthlm Holding AB. Lekmer was valued at SEK 90 million on a debt-free basis and with a normalized working capital. The transaction with the buyer was concluded in the third quarter of 2017 and the purchase price for the shares amounted to SEK 35.3 million. The result of the sale of shares including divestment expenses was SEK -2.3 million for the quarter. Thus, earnings after tax for discontinued operations amounted to SEK -2.3 (-19.0) million for the quarter and SEK -35.1 (-154.5) million for the first nine months. Furthermore, historical numbers include the effect of the divestment of Tretti which was completed in the third quarter 2016.

Parent company

The Qliro Group AB parent company reported sales of SEK 6.4 (4.7) million for the quarter and SEK 20.4 (12.9) million for the first nine months. The result before tax amounted to SEK -12.1 (-18.8) million for the quarter, and -88.6 (-142.3) for the first nine months. Cash and cash equivalents in the parent company amounted to SEK 351.3 (167.4) million at the end of the quarter.

Accounting policies and valuation principles

This report was 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 were prepared according to the same accounting policies and calculation methods as the 2016 annual accounts, with the following exceptions related to Qliro Financial Services.

In connection with subsidiary Qliro AB receiving authorization as a credit market company in March 2017, Qliro Group changed its internal presentation of the Qliro Financial Services segment. Because of the change in presentation, the presentation of the Qliro Financial Services segment has also changed compared to the 2016 annual report. Unlike in the past, net interest income is now presented for Qliro Financial Services. At the same time, a review was done of the items that are considered part of the effective interest for assets and liabilities. Paid commissions and similar fees directly attributable to acquiring assets in Qliro Financial Services are considered part of the effective interest, thereby reducing interest income on receivables. That which is recognized in the segment reporting for Qliro Financial Services as interest income is recognized as net sales for the Group. Similarly, interest expenses in Qliro Financial Services are included in the cost of good sold for the Group. The accounting policies in the parent company's financial statements were prepared according to the same accounting policies and calculation methods as the 2016 annual accounts. See page 25 for more information.

Work on IFRS 9, IFRS 15 and IFRS 16 continues, and the status is essentially the same as disclosed in the 2016 Annual Report.

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 risks, credit risk, interest rate risk and liquidity risks. 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 2016 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 Alandia

Finnish customs authorities are investigating a subsidiary of CDON AB, the Åland-based company 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 ordered a supplementary tax on CDON AB's Finnish subsidiary CDON Alandia AB for the 2012 financial year in the amount of about EUR 3.8 million and imposed tax surcharges of about EUR 1.9 million on the company. CDON Alandia asserts that the company acted correctly and is in compliance with applicable legislation and appealed the decision to the Administrative Court of Helsinki in Finland in the first quarter of 2016, which has not yet considered the case. No date for the judicial review has yet been announced.

On 12 January 2017, Qliro Group announced that CDON Alandia AB had paid EUR 5.9 million at the request of the Åland authorities attributable to the tax claim previously made by the Finnish Tax Administration for the financial year 2012, pending the tax dispute ruling. CDON Alandia and its advisers still assert that the company acted correctly and in compliance with applicable legislation. In light of this, the company has not expensed the amount paid.

Transactions with related parties

Transactions with related parties are presently of the same character as described in the 2016 annual report.

Nomination Committee

Qliro Group's board chairman convened a nomination committee to prepare proposals for the company's 2018 AGM. The Nomination Committee consists of Lars-Johan Jarnheimer in his role as chairman of the board of Qliro Group, Cristina Stenbeck, appointed by Kinnevik AB, Christoffer Häggblom, appointed by Rite Ventures, and Stefan Roos, appointed by Origo Capital.

Shareholders who wish to propose members for Qliro Group's board of directors may submit written proposals to ir@qlirogroup.com or to Qliro Group AB (publ), attn: Company Secretary, Box 195 25, 104 32 Stockholm, Sweden.

Year-end Report 2017

Qliro Group's year-end report for the full year 2017 will be published on 31 January 2018.

2018 Annual General Meeting

The AGM for 2018 will be held on 22 May 2018, 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, 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. The 2017 Annual Report will be available at www.qlirogroup.com and the head office at Sveavägen 151 in Stockholm at least three weeks prior to the 2018 AGM.

Marcus Lindqvist
CEO
Stockholm, 18 October 2018

Qliro Group AB (publ.)
Registered office: Stockholm
Corporate ID number: 556035-6940
Postal address: Box 195 25, 104 32 Stockholm, Sweden
Street address: Sveavägen 151, 113 46, Stockholm, Sweden

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: +46 8 5065 3942

UK: +44 330 336 9411

US: +1 719 325 2202

The pin code to access this call is 8742446.

The presentation material and webcast will be published at <https://www.qlirogroup.com/en/investors/presentations/>

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

Marcus Lindqvist, President and Chief Executive Officer
Mathias Pedersen, Chief Financial Officer
Telephone: +46 10 703 20 00

Erik Löfgren, Head of Communications
Telephone: +46 700 80 75 06
press@qlirogroup.com, ir@qlirogroup.com

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.COM (the leading Nordic marketplace), Nelly.com and NLYman.com (fashion), Gymgrossisten and Bodystore.com (health and training), and Qliro Financial Services. The Group had sales of SEK 4 billion in 2016. 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. This information was released for publication through the agency of the above-mentioned contacts at 8:00 a.m. CET on 18 October 2017.

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 2017 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, 18 October 2017

KPMG AB

Mårten Asplund

Authorised Public Accountant

Consolidated Income Statement, Third Quarter		E-commerce		Qliro FS		Eliminations ¹		Qliro Group	
SEK million	2017	2016	2017	2016	2017	2016	2017	2016	
Net sales	814.1	781.8	54.9	42.2	-0.9	-1.5	868.1	822.6	
Cost of goods and services	-648.3	-657.7	-16.1	-18.6	1.1	1.8	-663.2	-674.6	
Gross profit	165.8	124.1	38.8	23.6	0.2	0.4	204.9	148.0	
Sales and administration expenses	-173.0	-154.6	-40.4	-27.0	1.5	0.7	-211.9	-180.8	
Other operating income and expenses, net	6.8	-0.8	5.1	3.4	-1.5	-0.7	10.5	1.9	
Operating profit or loss	-0.4	-31.2	3.6	0.0	0.2	0.4	3.4	-30.9	
Net interest & other financial items	-2.4	-0.8	-0.1	0.0	-	-	-2.5	-0.8	
Net profit or loss before tax	-2.8	-32.1	3.5	0.0	0.2	0.4	1.0	-31.7	
Tax							-0.7	4.9	
Net profit or loss for continued operations							0.3	-26.8	
Net profit or loss for discontinued operations							-2.3	-19.0	
Total net profit or loss for continued and discontinued operations							-2.0	-45.8	
<i>Attributable to:</i>									
Equity holders of the parent							-2.0	-45.8	
Non-controlling interests							-	-	
Net income for the period							-2.0	-45.8	
Basic earnings per share including discontinued operations before dilution, SEK							-0.01	-0.31	
Basic earnings per share including discontinued operations after dilution, SEK							-0.01	-0.31	

¹ Including adjustment related to differences in phasing of costs/revenues.

Consolidated Statement of Comprehensive Income, Third Quarter		Qliro Group	
SEK million	2017	2016	2016
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation difference for the period	-0.3	1.4	
Total comprehensive income for period	-2.3	-44.4	
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	-2.3	-44.4	
Non-controlling interests	-	-	
Total comprehensive income for the period	-2.3	-44.4	
Shares outstanding at period's end, basic, million	149.3	149.3	
Shares outstanding at period's end, diluted, million	151.4	149.3	
Average number of shares, basic, million	149.3	149.3	
Average number of shares, diluted, million	151.4	149.3	

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

Consolidated Income Statement, First Nine Months							Qliro Group	
SEK million	E-commerce		Qliro FS		Eliminations ¹		2017	2016
	2017	2016	2017	2016	2017	2016	2017	2016
Net sales	2,614.0	2,564.6	156.0	101.5	-4.3	-4.1	2,765.7	2,662.0
Cost of goods and services	-2,088.1	-2,154.2	-53.2	-45.1	3.3	6.7	-2,138.0	-2,192.6
Gross profit	525.9	410.4	102.8	56.4	-1.1	2.5	627.6	469.3
Sales and administration expenses	-518.9	-465.0	-121.3	-76.9	4.4	2.2	-635.9	-539.8
Other operating income and expenses, net	11.6	-0.3	13.9	11.6	-4.4	-2.2	21.2	9.2
Operating profit or loss	18.6	-54.9	-4.5	-8.9	-1.1	2.5	13.0	-61.3
Net interest & other financial items	-6.1	-2.0	-0.2	0.0	-	-	-6.3	-2.0
Net profit or loss before tax	12.5	-56.9	-4.7	-8.9	-1.1	2.5	6.7	-63.3
Tax							-1.8	11.4
Net profit or loss for continued operations							4.9	-51.9
Net profit or loss for discontinued operations							-35.1	-154.5
Total net profit or loss for continued and discontinued operations							-30.2	-206.4
<i>Attributable to:</i>								
Equity holders of the parent							-30.2	-205.7
Non-controlling interests							0.0	-0.7
Net income for the period							-30.2	-206.4
Basic earnings per share including discontinued operations before dilution, SEK							-0.20	-1.38
Basic earnings per share including discontinued operations after dilution, SEK							-0.20	-1.38

¹ Including group adjustment related to differences in phasing of costs/revenues

Consolidated Statement of Comprehensive Income, First Nine Months		Qliro Group	
SEK million	2017	2016	2016
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation difference for the period	-0.8	4.7	
Total comprehensive income for period	-31.0	-201.8	
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	-31.0	-201.1	
Non-controlling interests	0.0	-0.7	
Total comprehensive income for the period	-31.0	-201.8	
Shares outstanding at period's end, million	149.3	149.3	
Shares outstanding at period's end, diluted, million	151.3	149.3	
Average number of shares, basic, million	149.3	149.3	
Average number of shares, diluted, million	151.3	149.3	

Consolidated Statement of Financial Position SEK million	E-Commerce		Qliro FS		Eliminations		Qliro Group	
	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep	30-Sep
	2017	2016	2017	2016	2017	2016	2017	2016
Non-current assets								
Goodwill	203.7	211.7	-	-	-	-	203.7	211.7
Other intangible assets	148.2	177.9	118.9	73.8	-	-	267.1	251.7
Total intangible assets	351.9	389.6	118.9	73.8	-	-	470.8	463.3
Tangible assets	13.2	21.5	12.5	8.4	-	-	25.6	29.9
Deferred tax asset	133.4	126.0	1.0	3.3	-	-	134.4	129.4
Total non-current assets	498.5	537.1	132.4	85.5	-	-	630.9	622.6
Current assets								
Inventories	484.2	569.9	-	-	-	-	484.2	569.9
Loans to the public ¹	-	-	827.0	570.4	-	-	827.0	570.4
Current interest-bearing investments	-	-	40.2	-	-	-	40.2	-
Current non-interest bearing receivables	287.8	124.5	9.7	9.6	-22.1	-6.2	275.4	128.0
Cash and cash equivalents	362.2	180.9	71.7	0.0	-	-	433.8	180.9
Total current assets	1,134.2	875.3	948.5	580.0	-22.1	-6.2	2,060.6	1,449.2
Total assets	1,632.6	1,412.4	1,081.0	665.5	-22.1	-6.2	2,691.5	2,071.8
Equity								
Equity attributable to owners of the parent	657.9	765.1	341.7	239.9	-	-	999.5	1,005.0
Total equity	657.9	765.1	341.7	239.9	0.0	0.0	999.5	1,005.0
Non-current liabilities								
<i>Non interest bearing</i>								
Deferred tax liability	11.2	12.5	-	-	-	-	11.2	12.5
Other provisions	4.5	5.9	-	-	-	-	4.5	5.9
<i>Interest bearing</i>								
Loan Facility ²	-	-	218.0	-	-	-	218.0	-
Bond	250.0	-	-	-	-	-	250.0	-
Financial leasing liabilities	-	-	3.2	-	-	-	3.2	-
Total non-current liabilities	265.7	18.4	221.2	-	-	-	486.9	18.4
Current liabilities								
Loan Facility ²	-	-	-	390.2	-	-	-	390.2
Deposits from the public	-	-	444.6	0.0	-	-	444.6	0.0
Financial leasing liabilities	-	-	2.3	-	-	-	2.3	-
Current non-interest bearing liabilities	709.1	628.9	71.2	35.4	-22.1	-6.2	758.1	658.2
Total current liabilities	709.1	628.9	518.1	425.6	-22.1	-6.2	1,205.0	1,048.4
Total equity and liabilities	1,632.6	1,412.4	1,081.0	665.5	-22.1	-6.2	2,691.5	2,071.8

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

¹ Loans to the public are recognized at net value i.e. after deduction of bad debts.

² The Loan facility is reclassified from short-term to long-term interest bearing liability due to extended contract period.

Statement of changes in Equity SEK million	2017 30-Sep	2016 30-Sep	2016 31-Dec
Opening balance January	1,026.2	1,205.4	1,205.4
Comprehensive income for the period	-31.0	-201.8	-181.6
Effects of long term incentive program ¹	4.4	1.4	2.5
Closing balance	999.5	1,005.0	1,026.2

Consolidated Statement of Cash Flow, third quarter		E-commerce		Qliro FS		Eliminations		Qliro Group	
SEK million	2017	2016	2017	2016	2017	2016	2017	2016	
Cash flow from operating activities before changes in working capital	17.5	-4.3	10.6	4.0	-	-	28.2	-0.3	
Changes in working capital ¹	-89.1	-60.3	27.2	-59.1	-	-	-61.9	-119.4	
Cash flow from operations	-71.6	-64.6	37.9	-55.1	-	-	-33.7	-119.7	
Investments in subsidiaries	-	-0.7	-	-	-	-	-	-0.7	
Investments in non-current assets	-12.0	-7.0	-15.9	-16.9	-	-	-27.9	-23.9	
Divested operations ²	-	250.0	-	-	-	-	-	250.0	
Cash flow to/from investing activities	-12.0	242.3	-15.9	-16.9	-	-	-27.9	225.3	
Shares contribution, net change	-44.0	-	44.0	-	-	-	-	-	
Group contribution, net change	-	-41.0	-	31.0	-	-	-	-10.0	
Cash flow to/from financing activities	-44.0	-41.0	44.0	31.0	-	-	0.0	-10.0	
Change in cash and cash equivalents for the period from continued operations	-127.6	136.7	65.9	-41.0	-	-	-61.6	95.7	
<i>Cash flow from discontinued operations</i>									
Cash flow from operations	-	-21.2	-	-	-	-	-	-21.2	
Cash flow from investing activities	-	-0.4	-	-	-	-	-	-0.4	
Cash flow from financing activities	-	10.0	-	-	-	-	-	10.0	
Change in cash and cash equivalents for the period from discontinued operations	-	-11.6	-	-	-	-	-	-11.6	
Change in cash and cash equivalents for the period	-127.6	125.1	65.9	-41.0	-	-	-61.6	84.1	
Cash and cash equivalents at period's start							495.3	144.9	
Translation difference, cash and cash equivalents							0.1	0.6	
Less cash from discontinued operations							-	-48.7	
Cash and cash equivalents at period's end							433.8	180.9	

¹ Utilised credit facilities within Qliro FS are reported as changes in working capital to follow new reporting structure

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

Consolidated Statement of Cash Flow, first nine months		E-Commerce		Qliro FS		Eliminations		Qliro Group	
SEK million	2017	2016	2017	2016	2017	2016	2017	2016	
Cash flow from operating activities before changes in working capital	56.4	-14.0	15.3	3.0	-	-	71.7	-11.1	
Changes in working capital ³	-257.9	-220.1	64.6	15.5	-	-	-193.3	-204.6	
Cash flow from operations	-201.4	-234.2	79.9	18.4	-	-	-121.6	-215.7	
Investments in subsidiaries	-	-0.7	-	-	-	-	-	-0.7	
Investments in non-current assets	-25.0	-22.5	-55.5	-38.9	-	-	-80.5	-61.4	
Divested operations ²	-	250.0	-	-	-	-	-	250.0	
Cash flow to/from investing activities	-25.0	226.8	-55.5	-38.9	-	-	-80.5	187.9	
New share issue in Qliro Financial Services	-	-50.0	-	50.0	-	-	-	-	
Shareholder contribution, net change	-44.0	-	44.0	-	-	-	-	-	
Group contribution, net change	-53.7	-162.1	-2.4	152.1	-	-	-56.1	-10.0	
Issued unsecured bond ¹	246.3	-	-	-	-	-	246.3	-	
Other cash flow from/to financing activities ⁴	84.3	-	-	-	-	-	84.3	-	
Cash flow to/from financing activities	232.9	-212.1	41.6	202.1	-	-	274.4	-10.0	
Change in cash and cash equivalents for the period from continued operations	6.4	-219.4	65.9	181.6	-	-	72.3	-37.8	
<i>Cash flow from discontinued operations</i>									
Cash flow from operations	-103.4	-61.6	-	-	-	-	-103.4	-61.6	
Cash flow from investing activities	-	-3.8	-	-	-	-	-	-3.8	
Cash flow from financing activities	56.1	10.0	-	-	-	-	56.1	10.0	
Change in cash and cash equivalents for the period from discontinued operations	-47.3	-55.5	-	-	-	-	-47.3	-55.5	
Change in cash and cash equivalents for the period	-40.9	-274.9	65.9	181.6	-	-	25.0	-93.3	
Cash and cash equivalents at period's start							435.2	324.2	
Translation difference, cash and cash equivalents							-0.1	1.6	
Less cash from discontinued operations							-26.2	-51.6	
Cash and cash equivalents at period's end							433.8	180.9	

¹ Issued a three-year senior unsecured bond in the amount of SEK 250,0 million

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

³ Utilised credit facilities within Qliro FS are reported as changes in working capital to follow new reporting structure

⁴ Other cash flow from/to financing activities comprises repayment of external loan from Babyshop related to the sale of Lekmer AB

Net Sales by Segment	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	2016
SEK million	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Q4	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Full year
CDON	353.5	386.8	389.8	776.6	1,130.1	657.8	333.4	356.9	403.1	759.9	1,093.3	1,751.0
Nelly	277.5	364.7	267.1	631.8	909.2	392.3	252.5	331.0	268.0	599.0	851.6	1,243.8
HSNG	183.0	179.7	209.8	389.5	572.5	200.3	192.8	198.1	218.8	416.9	609.7	810.1
Group central operations	2.1	2.5	1.4	3.8	6.0	7.1	5.0	6.5	6.4	12.9	17.9	25.1
Eliminations within E-commerce	-2.1	-1.4	-0.4	-1.8	-3.9	-3.6	-1.9	-3.1	-2.9	-6.0	-7.9	-11.4
Total E-commerce	814.1	932.2	867.7	1,799.9	2,614.0	1,253.9	781.8	889.3	893.4	1,782.7	2,564.6	3,818.5
Qliro FS	54.9	52.5	48.5	101.1	156.0	45.6	42.2	30.6	28.7	59.3	101.5	147.1
Total Qliro FS	54.9	52.5	48.5	101.1	156.0	45.6	42.2	30.6	28.7	59.3	101.5	147.1
Eliminations between E-commerce and Qliro FS	-1.1	-1.2	-0.9	-2.1	-3.3	-0.8	-1.5	-1.4	-1.3	-2.7	-4.1	-4.9
Group Adjustment ¹	0.2	0.1	-1.4	-1.3	-1.1	-	-	-	-	-	-	-
Qliro Group Consolidated Total	868.1	983.6	914.0	1,897.6	2,765.7	1,298.8	822.6	918.5	920.8	1,839.4	2,662.0	3,960.7
Eliminations within E-commerce												
CDON	0.1	0.5	0.5	1.0	1.0	1.4	0.9	1.4	0.9	2.3	3.2	4.5
Group central operations	2.1	0.9	-0.1	0.8	2.9	2.2	1.0	1.8	1.9	3.7	4.7	6.9
Total eliminations within E-commerce	2.1	1.4	0.4	1.8	3.9	3.6	1.9	3.1	2.9	6.0	7.9	11.4
Eliminations between E-commerce and Qliro FS												
CDON	0.8	0.8	0.6	1.4	2.2	0.7	0.6	0.9	0.7	1.5	2.1	2.8
Nelly	0.3	0.4	0.2	0.6	0.9	0.2	0.3	0.2	0.1	0.3	0.6	0.8
HSNG	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Group central operations	0.0	0.0	0.0	0.1	0.1	-0.1	0.6	0.2	0.5	0.8	1.3	1.3
Total eliminations between E-commerce and Qliro FS	1.1	1.2	0.9	2.1	3.3	0.8	1.5	1.3	1.3	2.7	4.0	4.9
Operating profit by Segment												
SEK million	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	2016
SEK million	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Q4	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Full year
CDON	-16.3	-17.9	-12.3	-30.2	-46.5	16.7	-17.0	-11.6	-25.4	-37.0	-53.9	-37.3
Nelly	18.2	40.0	6.6	46.6	64.8	30.4	-3.1	10.6	-7.7	2.9	-0.3	30.1
HSNG	7.9	7.6	12.3	19.9	27.8	5.8	12.4	12.9	16.3	29.2	41.6	47.5
Group central operations	-10.2	-7.6	-9.8	-17.4	-27.5	-14.2	-23.6	-8.8	-9.9	-18.7	-42.3	-56.6
Total E-commerce	-0.4	22.1	-3.2	18.9	18.6	38.6	-31.2	3.0	-26.7	-23.7	-54.9	-16.3
Qliro FS	3.6	-5.6	-2.6	-8.1	-4.5	11.2	0.0	-4.1	-4.9	-8.9	-8.9	2.3
Total Qliro FS	3.6	-5.6	-2.6	-8.1	-4.5	11.2	0.0	-4.1	-4.9	-8.9	-8.9	2.3
Group Adjustment ¹	0.2	0.1	-1.4	-1.3	-1.1	-1.6	0.4	0.9	1.3	2.2	2.5	0.9
Qliro Group Consolidated Total	3.4	16.6	-7.1	9.5	13.0	48.2	-30.9	-0.3	-30.3	-30.4	-61.3	-13.1
Inventories by Segment												
SEK million	2017	2017	2017	2016	2016	2016	2016					
SEK million	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar					
CDON	169.4	166.2	164.4	186.1	140.2	163.4	186.8					
Nelly	234.0	169.6	201.7	159.8	232.7	191.2	244.5					
HSNG	80.8	79.9	87.5	107.1	89.3	84.9	92.3					
Total E-commerce	484.2	415.7	453.6	453.0	462.2	439.6	523.6					
Qliro FS	-	-	-	-	-	-	-					
Total Qliro FS	-	-	-	-	-	-	-					
Qliro Group Consolidated Total for continued operations	484.2	415.7	453.6	453.0	462.2	439.6	523.6					
Qliro Group Consolidated Total for continued and discontinued operations²	484.2	415.7	556.1	547.9	569.9	581.1	683.5					

¹ Group Adjustment between Qliro FS and internal clients, related to differences in phasing of costs/revenues.

² Including divested operations (Lekmer AB and Tretti AB)

Parent Company Income Statement					
SEK million	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Jan-Dec
Net Sales	6.4	4.7	20.4	12.9	17.5
Gross profit	6.4	4.7	20.4	12.9	17.5
Administration expenses	-16.6	-19.3	-48.2	-46.3	-65.2
Operating profit or loss	-10.0	-14.5	-27.8	-33.4	-47.7
Profit or loss from shares in subsidiaries ¹	-2.3	-0.8	-61.2	-102.9	-102.9
Net interest & other financial items	0.2	-3.5	0.4	-6.0	-2.3
Profit or loss after financial items	-12.1	-18.8	-88.6	-142.3	-153.0
Group contribution paid	-	-	-	-	-45.6
Profit or loss before tax	-12.1	-18.8	-88.6	-142.3	-198.6
Tax	2.2	4.0	6.0	8.7	20.9
Net income or net loss for the period	-10.0	-14.9	-82.6	-133.7	-177.7
Parent Company Statement of Comprehensive Income					
SEK million					
Profit or loss for period	-10.0	-14.9	-82.6	-133.7	-177.7
Other comprehensive income	-	-	-	-	-
Total comprehensive income for period	-10.0	-14.9	-82.6	-133.7	-177.7

¹ Loss from sale of shares in Lekmer AB in 2017 and Tretti AB in 2016

Parent Company Statement of Financial Position SEK million	2017 30-Sep	2016 30-Sep	2016 31/dec
Non-current assets			
Equipment	1.2	1.8	1.6
Shares and participating interests in group companies	788.6	723.9	808.9
Deferred tax asset	120.2	102.0	114.2
Total non-current assets	909.9	827.7	924.7
Current assets			
Current non-interest-bearing receivables	47.6	7.4	6.5
Receivables from Group companies	128.1	324.0	56.7
Total current receivables	175.7	331.4	63.1
Cash and bank	351.3	167.4	422.6
Total cash and cash equivalents	351.3	167.4	422.6
Total current assets	527.0	498.8	485.7
Total assets	1,436.9	1,326.5	1,410.4
Equity			
Restricted equity	301.7	301.7	301.7
Unrestricted equity	631.7	752.9	709.9
Total equity	933.4	1,054.6	1,011.6
Provisions			
Other provisions	5.2	1.8	0.7
Total provisions	5.2	1.8	0.7
Non-current liabilities			
Bond	250.0	-	-
Total non-current liabilities	250.0	-	-
Current liabilities			
Short term interest bearing loans	-	57.0	57.0
Liabilities to Group companies	210.0	199.3	323.7
Non-interest-bearing liabilities	38.4	13.9	17.4
Total current liabilities	248.4	270.2	398.1
Total liabilities	498.4	270.2	398.8
Total equity and liabilities	1,436.9	1,326.5	1,410.4

Key Ratios	2017 Q3	2017 Q2	2017 Q1	2017 Jan-Jun	2017 Jan-Sep	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 Jan-Jun	2016 Jan-Sep	2016 Full year
E-COMMERCE												
Sales growth (%)	4.1	4.8	-3.1	1.0	1.9	-0.5	-5.2	1.6	-2.5	-0.5	-2.9	-1.5
Gross profit margin (%)	20.4	21.8	17.9	20.0	20.1	18.9	15.9	16.8	15.3	16.1	16.0	16.9
Operating margin (%)	0.0	2.4	-0.4	1.1	0.7	3.1	-4.0	0.3	-3.0	-1.3	-2.1	-0.4
Return on equity (%)	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Return on capital employed (%)	13.0	neg	neg	neg	13.0	neg	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	40.3	42.5	49.0	42.5	40.3	43.2	54.2	51.6	52.9	51.6	54.2	43.2
Net debt (SEK million)	-112.2	-239.5	-156.9	-239.5	-112.2	-435.2	-180.9	-144.9	-138.7	-144.9	-180.9	-435.2
Depreciation/Net sales (%)	1.4	1.4	1.5	1.5	1.4	1.3	3.2	1.2	1.2	1.2	1.8	1.6
Capital Expenditure/Net sales (%)	1.5	0.7	0.7	0.7	1.0	0.9	7.7	1.0	0.7	0.9	0.9	2.3
QLIRO FS												
Sales growth (%)	30.1	71.7	69.1	70.4	53.7	107.8	163.7	125.0	191.1	152.8	157.2	139.6
Return on equity (%)	0.6	neg	0.5	neg	0.6	0.3	11.9	11.6	7.4	11.6	11.9	0.3
Equity/assets ratio (%)	31.6	30.3	35.2	30.3	31.6	34.5	35.8	31.8	36.9	31.8	35.8	34.5
Net debt (SEK million)	596.4	616.0	489.0	616.0	596.4	513.2	390.2	408.6	330.7	408.6	390.2	513.2
Depreciation/Net sales (%)	13.7	14.1	9.3	11.8	12.5	9.2	10.6	9.8	9.4	9.6	10.0	9.8
Capital Expenditure/Net sales (%)	29.0	42.4	35.7	39.2	35.6	38.3	40.1	37.7	36.5	37.1	38.4	38.3
GROUP												
Sales growth (%)	5.5	7.1	-0.7	3.2	3.9	1.3	-2.2	3.3	-0.6	1.3	-0.7	0.6
Gross profit margin (%)	23.6	23.9	20.5	22.3	22.7	20.9	18.0	18.4	16.6	17.5	17.6	19.2
Operating margin (%)	0.4	1.7	-0.8	0.5	0.5	3.7	-3.7	0.0	-3.3	-1.7	-2.3	-0.3
Return on equity (%)	0.0	neg	neg	neg	0.0	neg	neg	neg	neg	neg	neg	neg
Return on capital employed (%)	5.2	neg	neg	neg	5.2	neg	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	37.1	38.0	44.1	38.0	37.1	40.5	48.5	46.9	50.3	46.9	48.5	40.5
Net debt (SEK million)	484.2	376.5	332.1	376.5	484.2	78.0	209.3	263.8	192.0	263.8	209.3	78.0
Depreciation/Net sales (%)	2.1	2.0	2.0	2.0	2.0	1.6	3.6	1.5	1.4	1.4	2.1	1.9
Capital Expenditure/Net sales (%)	3.2	3.0	2.6	2.8	2.9	2.3	9.4	2.2	1.8	2.0	2.3	3.6
Basic Earnings per share before and after dilution (SEK) ¹	0.00	0.07	-0.15	0.03	0.03	-0.01	-0.16	-0.01	-0.16	-0.17	-0.64	-0.36
Equity per share (SEK) ²	6.70	6.71	6.73	6.71	6.7	6.88	6.73	7.03	7.82	7.03	6.73	6.88

Key ratios have been adjusted to enable historical comparisons for continued operations.

Key Ratios Continued	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016	2016	2016
	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Q4	Q3	Q2	Q1	Jan-Jun	Jan-Sep	Full year
No. of active customers (thousand)	3,488	3,476	3,521	3,476	3,488	3,465	3,430	3,448	3,503	3,448	3,430	3,465
No. of visits (thousand)	46,408	52,590	50,860	103,450	149,858	68,018	44,294	50,402	53,692	104,094	148,388	216,406
No. Of orders (thousand)	1,531	1,746	1,591	3,337	4,868	2,384	1,480	1,723	1,701	3,425	4,905	7,289
Average shopping basket (SEK)	681	690	668	680	680	651	658	638	619	628	637	642
CDON												
No. of active customers (thousand)	1,723	1,711	1,683	1,711	1,723	1,707	1,699	1,710	1,705	1,710	1,699	1,707
No. of visits (thousand)	18,245	18,480	20,237	38,717	56,962	31,181	17,289	16,110	20,459	36,569	53,858	85,039
No. of orders (thousand)	663	709	721	1,430	2,093	1,249	671	664	790	1,454	2,125	3,374
Average shopping basket (SEK)	665	665	659	662	663	637	613	620	573	594	600	614
Nelly												
No. of active customers (thousand)	1,178	1,187	1,229	1,187	1,178	1,162	1,157	1,178	1,237	1,178	1,157	1,162
No. of visits (thousand)	23,408	29,377	24,504	53,881	77,289	30,911	21,695	28,607	26,515	55,122	76,817	107,728
No. of orders (thousand)	580	779	568	1,347	1,927	837	527	770	601	1,371	1,898	2,735
Average shopping basket (SEK)	719	708	662	689	698	662	696	634	631	632	650	654
Gymgrossisten												
No. of active customers (thousand) ³	587	578	609	578	587	596	574	560	561	560	574	596
No. of visits (thousand)	4,755	4,733	6,119	10,852	15,607	5,926	5,310	5,685	6,718	12,403	17,713	23,639
No. of orders (thousand)	288	258	302	560	848	298	282	289	310	600	882	1,180
Average shopping basket (SEK)	641	703	702	703	682	682	691	688	711	700	697	693

Key ratios have been adjusted to enable historical comparisons for continued operations.

¹ Basic Earnings per share for the periods Jul-Sep 2017 and Jan-Sep 2017 have been calculated on the average number of outstanding shares for the respective periods. The weighted average number of shares before dilution for the periods Jul-Sep and Jan-Sep 2017 is 149,269,779. The weighted average number of shares after dilution for the third quarter is 151,392,687. For the period Jan-Sep 2017 the weighted average number of shares after dilution amounted to 151,332,369. The dilution is due to Qliro Group's performance share program.

² Calculated on present number of shares, which per September 2017 amounts to 149,269,779.

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

Definitions

Sales growth	The amount by which the average number of sales volume has changed during the period.
Gross profit margin	Gross profit as a percentage of net sales. Gross profit includes costs directly attributable to the goods sold, fulfillment costs, and shipping costs.
Operating margin	Operating profit as percentage of net sales.
Adjusted gross margin	Gross profit margin excluding items affecting comparability.
Ebit	Earnings before interest and taxes.
Ebitda	Earnings before interest, taxes, depreciation, amortization and impairment of intangible and tangible assets.
Adjusted Ebitda	Ebitda excluding items affecting comparability.
Ebt	Earnings before taxes.
Ebtda	Earnings before taxes excluding depreciation, amortization and impairment of intangible and tangible fixed assets.
Adjusted Ebtda	Ebtda excluding items affecting comparability.
Items affecting comparability	Items affecting comparability between periods intended to provide a better understanding of Qliro Group's operating activities.
Return on equity	Net income for the last four quarters as a percentage of average equity for the last four quarters.
Return on capital employed	Operating income for the last four quarters as a percentage of average capital employed for the last four quarters.
Equity/assets ratio	Equity plus non-controlling interests as a percentage of total assets.
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 period attributable to the parent company's shareholders divided by average number of shares for the period.
Equity per share	Equity attributable to the parent company's shareholders divided by the number of shares at the end of the period.
Capital Expenditure/Net Sales	Investments in tangible non-current assets divided by net sales for the period.
Depreciation/Net Sales	Depreciation and impairment of intangible and tangible assets divided by net sales for the period.
No. of active customers	Number of customers that have shopped at least once during the past 12 months.
No. of visits	Gross number of visits to the Groups online stores.
Average shopping basket	(Internet sales + postage income) / No. Incoming orders

ALTERNATIVE PERFORMANCE MEASURES

Certain key ratios stated in this report are not defined according to generally accepted accounting principles (GAAP), for example IFRS. We consider the following alternative performance measures to be 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 reported by us may not be comparable to similar measures reported by other companies.

Earnings before interest, taxes, depreciation, amortization and impairment of intangible and tangible assets.

Q3 2017								Adjust-	
SEK million	CDON	Nelly	HSNG	Central	E-commerce	Qliro FS	ment	Group	
Earnings before interest and taxes	-16.3	18.2	7.9	-10.2	-0.4	3.6	0.2	3.4	
Items affecting comparability	-	-	-	-	-	-	-	-	
Adjusted Earnings before interest and taxes	-16.3	18.2	7.9	-10.2	-0.4	3.6	0.2	3.4	
Depreciation, amortization and impairment	-4.1	-5.5	-1.3	-0.1	-11.0	-7.5	-	-18.6	
Earnings before interest, taxes, depreciation, amortization a	-12.2	23.7	9.2	-10.1	10.6	11.1	0.2	22.0	
Items affecting comparability	-	-	-	-	-	-	-	-	
Adjusted Earnings before interest, taxes, depreciation, amor	-12.2	23.7	9.2	-10.1	10.6	11.1	0.2	22.0	

Q3 2016								Adjust-	
SEK million	CDON	Nelly	HSNG	Central	E-commerce	Qliro FS	ment	Group	
Earnings before interest and taxes	-17.0	-3.1	12.4	-23.6	-31.2	0.0	0.4	-30.9	
Items affecting comparability	-7.0	-4.2	-	-8.9	-20.0	-	-	-20.0	
Adjusted Earnings before interest and taxes	-10.0	1.0	12.4	-14.7	-11.2	0.0	0.4	-10.9	
Depreciation, amortization and impairment	-12.3	-10.1	-0.9	-1.9	-25.1	-4.5	-	-29.6	
Earnings before interest, taxes, depreciation, amortization a	-4.7	7.0	13.3	-21.8	-6.2	4.5	0.4	-1.3	
Items affecting comparability	-	-	-	8.9	8.9	-	-	8.9	
Adjusted Earnings before interest, taxes, depreciation, amor	-4.7	7.0	13.3	-12.9	2.7	4.5	0.4	7.6	

Jan - Sep 2017								Adjust-	
SEK million	CDON	Nelly	HSNG	Central	E-commerce	Qliro FS	ment	Group	
Earnings before interest and taxes	-46.5	64.8	27.8	-27.5	18.6	-4.5	-1.1	13.0	
Items affecting comparability	-	-	-	-	-	-	-	-	
Adjusted Earnings before interest and taxes	-46.5	64.8	27.8	-27.5	18.6	-4.5	-1.1	13.0	
Depreciation, amortization and impairment	-15.5	-16.9	-3.9	-0.5	-36.8	-19.5	-	-56.3	
Earnings before interest, taxes, depreciation, amortization a	-31.0	81.8	31.7	-27.0	55.4	15.0	-1.1	69.3	
Items affecting comparability	-	-	-	-	-	-	-	-	
Adjusted Earnings before interest, taxes, depreciation, amor	-31.0	81.8	31.7	-27.0	55.4	15.0	-1.1	69.3	

Jan - Sep 2016								Adjust-	
SEK million	CDON	Nelly	HSNG	Central	E-commerce	Qliro FS	ment	Group	
Earnings before interest and taxes	-53.9	-0.3	41.6	-42.3	-54.9	-8.9	2.5	-61.3	
Items affecting comparability	-22.3	-4.2	-	-8.9	-35.4	-	-	-35.4	
Adjusted Earnings before interest and taxes	-31.6	3.9	41.6	-33.4	-19.5	-8.9	2.5	-25.9	
Depreciation, amortization and impairment	-20.4	-20.8	-2.4	-2.3	-45.9	-10.2	-	-56.1	
Earnings before interest, taxes, depreciation, amortization a	-33.6	20.6	44.1	-40.0	-8.9	1.3	2.5	-5.2	
Items affecting comparability	-	15.3	-	8.9	24.2	-	-	24.2	
Adjusted Earnings before interest, taxes, depreciation, amor	-18.3	20.6	44.1	-31.1	15.3	1.3	2.5	19.0	

¹ Non-GAAP financial measures are shown for continued operations

Note 1

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

Note 2

As a result of the credit market license in the subsidiary Qliro AB, its business will in future be recognized per the Annual Accounts Act for Credit Institutions and Securities Companies. This also results in an adjustment to how the accounts are included in the consolidated financial statements. That which is recognized in the segment reporting for Qliro Financial Services as interest income is recognized as net sales for the Group. Similarly, interest expenses in Qliro Financial Services are included in the cost of sales and services for the Group. Unlike in the past, net interest income (interest income less interest expense) is now presented for Qliro Financial Services. At the same time, a review has been done of the items that are considered part of the effective interest for assets and liabilities. Paid commissions and similar fees directly attributable to acquiring assets in Qliro Financial Services are considered part of the effective interest, thereby reducing interest income on receivables. The change has been implemented from 1 January 2017 and comparative figures have been adjusted for comparability.

The first two tables below show Qliro Financial Services' earnings from a consolidated perspective, using the new and previous presentation methods, respectively. However, consolidated earnings before tax are unchanged.

INCOME STATEMENT, new reporting method SEK million	2017 Q3	2017 Q2	2017 Q1	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 Full year
Net sales	54.9	52.5	48.5	28.7	30.6	42.2	45.6	147.1
Cost of goods and services	-16.1	-20.2	-16.8	-14.2	-12.2	-18.6	-9.2	-54.3
Gross profit	38.8	32.3	31.7	14.5	18.4	23.6	36.4	92.8
Sales and administration expenses	-40.4	-41.9	-39.0	-23.0	-26.9	-27.0	-32.8	-109.7
Other operating income and expenses, net	5.1	4.1	4.7	3.7	4.5	3.4	7.5	19.2
Operating profit or loss	3.6	-5.6	-2.6	-4.9	-4.1	0.0	11.2	2.3
Net interest & other financial items	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net profit or loss before tax ¹	3.5	-5.6	-2.6	-4.9	-4.1	0.0	11.2	2.3

INCOME STATEMENT, previous reporting method SEK million	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 Full year
Net sales	41.3	47.9	58.8	65.8	213.7
Cost of goods and services	-26.3	-23.3	-29.2	-25.8	-104.6
Gross profit	15.0	24.5	29.6	40.0	109.1
Sales and administration expenses	-23.0	-26.9	-27.0	-32.8	-109.7
Other operating income and expenses, net	5.6	1.0	-0.3	6.0	12.2
Operating profit or loss	-2.4	-1.5	2.3	13.2	11.6
Net interest & other financial items	-1.2	-1.7	-1.9	-3.6	-8.4
Net profit or loss before tax, Group perspective ¹	-3.6	-3.2	0.4	9.5	3.2
Less Group adjustment ²	-1.3	-0.9	-0.4	1.6	-0.9
Net profit or loss before tax, Segment perspective	-4.9	-4.1	0.0	11.2	2.3

¹ Excluding year-end appropriations

² Group Adjustment between Qliro Financial Services and internal clients, related to differences in phasing of costs/revenues.

The next two tables show Qliro Financial Services' segment accounting, using the new previous presentation methods, respectively. However, the segment's operating income is unchanged.

INCOME STATEMENT, new reporting method SEK million	2017 Q3	2017 Q2	2017 Q1	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 Full year
Net interest income	51.0	48.3	44.3	27.5	28.9	40.3	42.0	138.7
Net fee and commission income	2.4	1.7	2.2	1.2	1.8	2.7	1.7	7.4
Other operating income	2.9	2.5	2.7	2.6	2.8	0.9	6.0	12.3
Total operating income	56.3	52.5	49.2	31.3	33.5	43.9	49.7	158.4
Other operating expenses	-39.5	-41.5	-41.4	-27.4	-30.4	-28.0	-35.5	-121.3
Depreciation, amortization and impairments	-7.5	-7.4	-4.5	-2.7	-3.0	-4.5	-4.2	-14.4
Total operating expenses	-47.0	-49.0	-45.9	-30.1	-33.4	-32.5	-39.8	-135.7
Net credit losses	-5.6	-9.1	-5.9	-6.1	-4.2	-11.4	1.3	-20.4
Operating profit or loss	3.6	-5.6	-2.6	-4.9	-4.1	0.0	11.2	2.3
Operating profit or loss before depreciation, amortization and impairments	11.1	1.9	2.0	-2.2	-1.1	4.5	15.4	16.6

INCOME STATEMENT, previous reporting method SEK million	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 Full year
Interest income	12.2	13.9	16.8	19.4	62.3
Other income	34.8	34.9	41.6	52.4	163.7
Total operating income	46.9	48.8	58.4	71.8	226.0
Administrative expenses	-27.6	-24.2	-29.5	-24.1	-105.5
Other operating expenses	-20.3	-23.9	-22.5	-28.6	-95.4
Financial net	-1.2	-1.7	-1.9	-3.6	-8.4
Depreciation, amortization and impairments	-2.7	-3.0	-4.5	-4.2	-14.4
Operating profit or loss	-4.9	-4.1	0.0	11.2	2.3
Operating profit or loss before depreciation, amortization and impairments	-2.2	-1.1	4.5	15.4	16.6

Note 3

On 25 April 2017, Qliro Group announced that it had entered an agreement to sell subsidiary Lekmer AB to Babyshop Sthlm Holding AB. Lekmer AB was an independent company within the e-commerce segment. The transaction was carried out on 30 June 2017 and is recognized as a discontinued operation in the second and third quarters of 2017.

Lekmer AB was valued in the transaction at SEK 90 million on a debt-free basis and with a normalized working capital. The transaction with the buyer was completed in the third quarter of 2017 and the purchase price for the shares amounted to SEK 35.3 million. Earnings after the sale of shares, including divestment costs, amounted to SEK -2.3 million in the third quarter. Lekmer's operating income amounted to SEK 0.0 during the

quarter, so earnings after tax for discontinued operations of SEK -2.3 (-19.0) million was recognized for the quarter and SEK -35.1 (-154.5) million for the first nine months. In connection with the sale, a deal was also concluded with a logistics supplier in which final settlement takes place in the coming year, which may affect earnings in the parent company, Qliro Group AB, going forward.

Discontinued operations

GROUP	2017	2016	2017	2016
SEK million	Q3	Q3	Jan-Sep	Jan-Sep
Income	-	208.7	175.7	745.6
Expenses	-	-236.1	-217.9	-808.2
Profit/loss before tax	-	-27.4	-42.2	-62.6
Tax	-	4.8	9.2	12.0
Profit/loss after tax but before capital gains from sale of operations	-	-22.6	-33.0	-50.6
Result from sales of shares incl. cost for disposal	-2.3	3.7	-2.2	-103.9
Tax attributable to above stated capital gain	-	-	-	-
Profit/loss from divestment after tax	-2.3	3.7	-2.2	-103.9
Profit/loss from discontinued operations after tax	-2.3	-19.0	-35.1	-154.5

GROUP	2017	2016	2017	2016
SEK million	Q3	Q3	Jan-Sep	Jan-Sep
Net cash flow from discontinued operations	-	-	-	-
Cash flow from operations	-	-21.2	-103.4	-61.6
Cash flow from investing activities	-	-0.4	-	-3.8
Cash flow from financing activities	-	10.0	56.1	10.0
Net cash flow from discontinued operations	-	-11.6	-47.3	-55.5

GROUP	2017	2016	2017	2016
SEK million	Q3	Q3	Jan-Sep	Jan-Sep
Divested assets and liabilities	-	-	-	-
Intangible assets	-	300.2	16.2	300.2
Tangible assets	-	4.4	0.9	4.4
Deferred tax receivable	-	0.0	15.4	0.0
Inventories	-	78.7	82.2	78.7
Current non-interest bearing receivables	-	35.6	6.6	35.6
Cash and cash equivalents	-	51.7	26.2	51.7
Deferred tax liability	-	-10.7	-1.1	-10.7
Current non-interest bearing liabilities	-	-107.8	-135.0	-107.8
Net assets and liabilities	-	352.2	11.3	352.2
Received purchase price	-	250.0	-	250.0
Accrued purchase price	-	-	35.3	-
Less cash from discontinued operations	-	-48.7	-26.2	-51.7
Change in cash and cash equivalents	-	201.3	-26.2	198.3

Comparative figures also include income, expenses and capital gains attributable to the sale of Tretti AB.

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

The information is presented for Qliro AB (publ) (556962-2441) as of 30 September 2017, in accordance with Regulation (EU) 575/2013 and the Swedish Financial Supervisory Authority's (FI) regulations and general guidelines (FFFS 2014:12).

Own funds	SEK in thousands
Common Equity Tier 1 capital	221,717
Additional Tier 1 capital	-
Tier 2 capital	-
Total capital	221,717

Risk exposure amount (REA)	SEK in thousands
Credit risk according to standardized approach, of which	672,915
exposure to households	570,810
exposure to corporates	28,953
exposures in default	46,308
exposure to institutions	14,331
other exposures	12,514
Market risk according to standardized approach	-
Operational risk according to basic indicator approach	191,274
Total risk exposure amount	864,190

Capital requirement	SEK in thousands
Total minimum capital requirement	69,135
Internally assessed required capital	18,771
Total capital requirements, excl. regulatory capital buffers	87,907

Capital adequacy analysis	% of REA
Common Equity Tier 1 capital ratio	25.7%
Additional Tier 1 capital ratio	25.7%
Total capital ratio	25.7%
Combined buffer requirement	4.2%
of which: capital conservation buffer requirement	2.5%
of which: countercyclical buffer requirement	1.7%

Funding sources

Qliro AB's net lending to the public amounted to SEK 827.0 (570.4) million at the end of the quarter. The lending was financed in the amount of SEK 218.0 (390.2) million via a secured credit facility and SEK 444.6 million through deposits from the public (savings accounts).

Liquidity reserve

As at 30 September 2017, Qliro AB's liquidity reserve amounted to SEK 96.6 million of which SEK 40.2 million was invested in Swedish municipal bonds and SEK 56.4 million in a Nordic bank (AA- credit rating).