

# Qliro Group

## Year-end Report 2016

### QLIRO GROUP TURNS TO PROFIT IN THE FOURTH QUARTER AND SETS NEW STRATEGIC PRIORITIES

#### FOURTH QUARTER<sup>1</sup>

- Net sales for continuing operations increased by 2 percent and amounted to SEK 1,523.4 (1,487.6) million
- Operating income before depreciation and amortisation (Ebitda) for continuing operations increased with SEK 68.1 million and amounted to SEK 48.0 (-20.1) million. Adjusted<sup>2</sup> Ebitda (Ebitda excluding items affecting comparability) increased by SEK 41.9 million and amounted to SEK 48.0 (6.1) million
- Operating income (Ebit) for continuing operations increased by SEK 57.6 million and amounted to SEK 25.6 (-32.0) million. Adjusted Ebit increased by SEK 31.4 million and amounted to SEK 25.6 (-5.8) million
- Earnings per share amounted to SEK 0.13 (-0.20) before and after dilution

#### FULL YEAR 2016<sup>1</sup>

- Net sales for continuing operations increased by 1 percent and amounted to SEK 4,468.6 (4,430.6) million
- Operating income before depreciation and amortisation (Ebitda) for continuing operations increased by SEK 78.9 million and amounted to SEK -6.2 (-85.1) million. Adjusted Ebitda increased by SEK 46.1 million and amounted to SEK 18.1 (-28.0) million
- Operating income (Ebit) for continuing operations increased by SEK 37.2 million amounted to SEK -86.6 (-123.8) million. Adjusted Ebit increased by SEK 15.5 million and amounted to SEK -51.2 (-66.7) million
- Earnings per share excluding discontinued operations amounted to SEK -0.51 (-0.69) before and after dilution. Earnings per share including discontinued operations amounted to SEK -1.24 (-0.68) before and after dilution

<sup>1</sup> Continuing operations exclude Tretti, which is recognised under Discontinued operations in the consolidated income statement. Comparative figures in the income statements and cash flow statements have been adjusted correspondingly.

<sup>2</sup> The term adjusted is used to indicate that the result has been adjusted to exclude items affecting comparability and the result for discontinued operations. Items affecting comparability are specified on page 8.

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	1,523.4	1,487.6	2%	4,468.6	4,430.6	1%
Adjusted gross profit	285.0	215.9	32%	786.5	678.6	16%
Adjusted gross margin (%)	18.7%	14.5%		17.6%	15.3%	
Adjusted operating income before depreciation and amortization (adjusted Ebitda)	48.0	6.1		18.1	-28.0	
Adjusted operating margin before depreciation and amortization (%)	3.2%	0.4%		0.4%	-0.6%	
Adjusted operating income (Ebit)	25.6	-5.8		-51.2	-66.7	
Adjusted operating margin (%)	1.7%	-0.4%		-1.1%	-1.5%	
Financial items	-1.2	-3.6		-8.3	-7.1	
Adjusted income before tax	24.3	-9.4		-59.5	-73.8	

## QLIRO GROUP TURNS TO PROFIT IN THE FOURTH QUARTER AND SETS NEW STRATEGIC PRIORITIES

**Qliro Group reported a solid end to the financial year, with revenue growth of two percent and improved margins in the fourth quarter. Qliro Group has during the autumn conducted a strategy review and has now set the revised strategic direction and adopted new long-term targets, with the ambition to secure and further strengthen the groups position as the leading Nordic player within the e-commerce segment. The decision has been made to focus the group's operations on the business areas Marketplace, Fashion and Financial Services.**

### Growth and higher margins

Qliro Group's sales increased by 2 percent in the fourth quarter, corresponding to a sales growth of 1 percent excluding currency effects. The gross margin increased by 4.2 percentage points to 18.7 percent, primarily driven by Nelly's focus on private label and continued efforts with the assortment strategy, along with Qliro Financial Services' continued increase in earnings. The adjusted operating income before depreciation and amortisation, EBITDA, improved to SEK 48.0 (6.1) million and the EBITDA margin increased to 3.2 (0.4) percent.

CDON Marketplace reports a higher total gross merchandise value for the quarter, largely driven by strong sales generated for external merchants, and operating income improved slightly. Nelly reports strong sales growth, amounting to 9 percent in the fourth quarter. Operating income increased significantly, to just over SEK 30 (-4.1) million, boosted by the general sales growth, a larger share of private label sales and an improved assortment strategy.

Net sales for Gymgrossisten decreased by 2 percent in the quarter and by 5 percent for the full year. Operating income amounted to SEK 5.8 (10.0) million, affected by increased costs related to sales and process management as well as marketing. Lekmer reports revenue growth of 11 percent during the quarter, while profitability remains weak as a result of continued high fulfillment costs.

Qliro Financial Services shows strong growth, with an increase of 70 percent in total operating revenue in the fourth quarter. Earnings have continuously improved, and the company achieved an operating income before tax of SEK 11.2 (0.2) million in the quarter and thereby achieved its first positive full-year result before tax since the start. Qliro Financial Services remains focused on product development in order to broaden and strengthen the offering to both consumers and merchants. The dialogue with Finansinspektionen (the Swedish Financial Supervisory Authority) continued during the quarter with regards to the decision on the license to operate as a credit market company.

### Revised strategic direction

Qliro Group has during the autumn conducted a strategy review and has now set its revised strategic direction and adopted new long-term targets. As part of the strategy review, we have reviewed every company and their respective challenges and opportunities, while also conducting a review of the operational structure to evaluate synergies, optimise scalability and maximise the potential of Qliro Financial Services.

There are a number of synergies and significant economies of scale between a broad and attractive e-commerce platform and the payment solutions and financial services of today and tomorrow. We see several trends and factors pointing to continued strong growth within e-commerce and associated services. At the same time, continuous technical and functional development, not least within financial services, makes it necessary to focus our operations and devote ourselves to the chosen core areas in order to secure and strengthen the group's competitiveness.

Qliro Groups overall goals are to strengthen the position as the leading e-commerce platform for consumers in the Nordics, to provide an attractive offering within payment solutions and associated financial services for both consumers and merchants and establish a position as a leading e-tailer within selected segments in the Nordic fashion field. The Group will focus its operations on the core business areas Marketplace (CDON), Fashion (Nelly, NLY Man, Members) and Financial Services (Qliro Financial Services).

The business units Lekmer and Gymgrossisten will be run with a focus on improved profitability and positive cash flow. We will actively pursue potential partnerships to facilitate continued investments and to take advantage of the ongoing consolidation in each sector to generate additional shareholder value.

The foundation for future profitable growth will be built on more efficient operations, driven by investments and a structured approach focusing on continuous improvements. By working according to this strategic direction, I am certain that we will create the right conditions to manage, invest in and thereby develop the business in an efficient and profitable manner.

Stockholm, January 2017

Marcus Lindqvist

CEO

## LONG-TERM FINANCIAL TARGETS

Qliro Group has set its revised strategic direction, adopted new long-term financial targets and made the decision to focus its operations on the core business areas Marketplace, Fashion and Financial Services.

### Qliro Group's long-term financial targets

- Business area Marketplace
  - Reach an organic gross growth (gross merchandise value - GMV) of, on average, 10 percent per year.
  - Generate an operating profit, before depreciation and amortisation, of 1-2 percent in relation to GMV.
- Business area Fashion
  - Reach an organic growth of, on average, 8 percent per year.
  - Generate an operating margin (EBITDA) of at least 6 percent.
- Business area Financial Services
  - Reach an operating income (EBTDA) of at least SEK 150 million during 2019.

For the business units Lekmer and Gymgrossisten, continuous improvements in operating income and cash flow will be prioritised, as well as continued development of each individual brand.

The long-term financial targets above replace the previous forward-looking statement which was submitted in Qliro Group's interim report for the third quarter, stating *"Qliro Group's present long-term sales target is growth that is consistent with or above that of the market for each segment"*, as well as that for Qliro Financial Services to *"contribute approximately SEK 100 million to consolidated earnings before tax (EBT) for the full year 2018"*.

## **SIGNIFICANT EVENTS DURING AND AFTER THE FOURTH QUARTER 2016**

### **Jan Wallsin appointed new CEO of Nelly**

On 16 December, Qliro Group AB announced that Jan Wallsin had been appointed new CEO of the subsidiary Nelly. Jan will assume his position on 1 July 2017 at the latest.

### **Oscar Tjärnberg appointed new CEO of Lekmer**

On 20 December, Qliro Group AB announced that Oscar Tjärnberg had been appointed new CEO of the subsidiary Lekmer. Oscar assumed his post with immediate effect and replaced Niklas Jarl, who will remain with the company during a transitional period.

### **CDON Alandia Ab pays EUR 5.9 million with regards to the tax claim previously put forward by the Finnish Tax Administration**

On 12 January 2017, Qliro Group announced that CDON AB's Finnish subsidiary CDON Alandia Ab had, at the request of the authorities of Åland, paid EUR 5.9 million with regards to the tax claim previously put forward by the Finnish Tax Administration pertaining to the financial year 2012, pending the resolution of the tax dispute. CDON Alandia and its legal advisors maintain the position that the company has acted correctly and in accordance with applicable law. As previously disclosed, CDON Alandia has appealed the tax decision to the Helsinki Administrative Court, where the process is still pending. As of yet, no date for the hearing has been set. Against this background, the company has not expensed the amount paid.

### **Qliro Group sets revised strategic direction and adopts new targets**

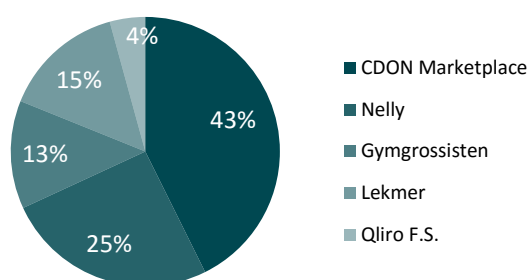
On 25 January 2017, Qliro Group AB announced that Qliro Group has conducted a strategy review and has now set its revised strategic direction and adopted new targets. For further information, please see press release at [www.qlirogroup.com](http://www.qlirogroup.com).

## CONSOLIDATED FINANCIAL INFORMATION IN BRIEF FOR THE FOURTH QUARTER, EXCLUDING ITEMS AFFECTING COMPARABILITY<sup>1</sup> AND DISCONTINUED OPERATIONS<sup>2</sup>

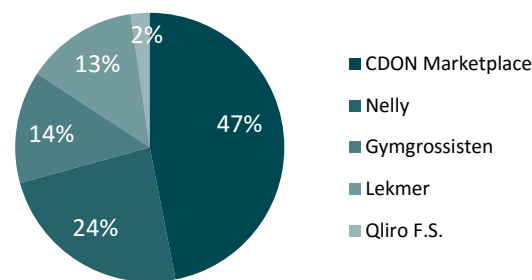
As of the fourth quarter 2016 the reported financials of the Group are also split into E-commerce and Financial Services. E-commerce comprises the segments CDON Marketplace, Nelly, Gymgrossisten, Lekmer and the Group's central operations. Financial Services consists of the segment Qliro Financial Services.

Fourth quarter (SEK million)	E-commerce			Financial Services			Eliminations		Qliro Group		
	2016 Oct-Dec	2015 Oct-Dec	Change	2016 Oct-Dec	2015 Oct-Dec	Change	2016 Oct-Dec	2015 Oct-Dec	2016 Oct-Dec	2015 Oct-Dec	Change
Net Sales	1,474.8	1,472.1	0%	65.8	34.6	90%	-17.2	-19.1	1,523.4	1,487.6	2%
Adjusted gross profit	245.0	206.9	18%	40.0	9.0	345%	-	-	285.0	215.9	32%
Adjusted gross margin (%)	16.6%	14.1%		60.8%	25.9%				18.7%	14.5%	
Adjusted operating income before depreciation and amortisation (adjusted Ebitda)	30.7	5.3		17.4	0.8		-	-	48.0	6.1	
Adjusted Ebitda-margin (%)	2.1%	0.4%		26.4%	2.3%				3.2%	0.4%	
Adjusted operating income (adjusted Ebit)	12.4	-4.1		13.2	-1.7		-	-	25.6	-5.8	
Adjusted Ebit-margin (%)	0.8%	-0.3%		20.0%	-4.9%				1.7%	-0.4%	
Financial items	2.4	-2.7		-3.6	-0.9		-	-	-1.2	-3.6	
Adjusted income before tax	14.8	-6.8		9.5	-2.6		-	-	24.3	-9.4	
Items affecting comparability, excluded above	-	-26.2		-	-		-	-	-	-26.2	
Cash flow from operations	315.5	152.6		-152.6	-179.4		-	-	163.0	-26.8	
QFS net loans to the public, at end of period of which externally financed, at end of period	-	-		745.8	505.6	48%	-	-	745.8	505.6	48%
	-	-		511.8	328.0		-	-	511.8	328.0	
Opening inventory balance	569.9	608.6	-6%	-	-		-	-	569.9	608.6	-6%
Closing inventory balance	547.9	622.2	-12%	-	-		-	-	547.9	622.2	-12%

Net sales per segment, Oct-Dec 2016



Net sales per segment, Oct-Dec 2015



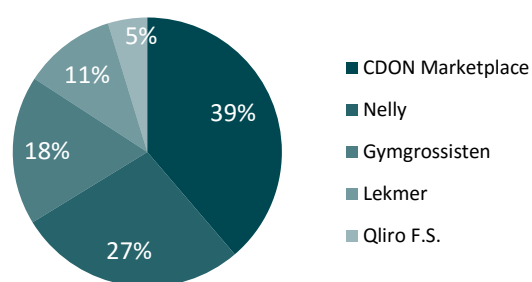
<sup>1</sup>Presented on page 8

<sup>2</sup>Qliro Group's sale of subsidiary Tretti AB was completed in the third quarter. Thus, Tretti is recognised as a discontinued operation in the consolidated income statement. Comparative figures in the Group's income statements and cash flow statements have been adjusted correspondingly. Continuing operations are presented in the table above and in the text on the following pages, unless otherwise stated.

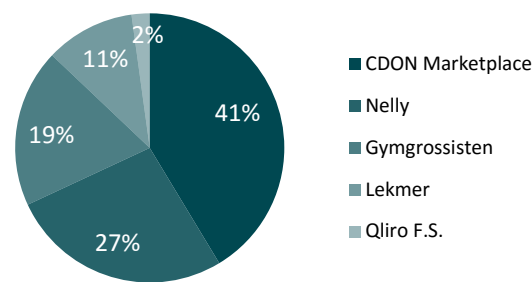
## CONSOLIDATED FINANCIAL INFORMATION IN BRIEF FOR THE FULL YEAR, EXCLUDING ITEMS AFFECTING COMPARABILITY<sup>1</sup> AND DISCONTINUED OPERATIONS<sup>2</sup>

Full year 2016 (SEK million)	E-commerce			Financial Services			Eliminations		Qliro Group		
	2016 Jan-Dec	2015 Jan-Dec	Change	2016 Jan-Dec	2015 Jan-Dec	Change	2016 Jan-Dec	2015 Jan-Dec	2016 Jan-Dec	2015 Jan-Dec	Change
Net Sales	4,309.2	4,388.6	-2%	213.7	97.5	119%	-54.4	-55.4	4,468.6	4,430.6	1%
Adjusted gross profit	677.3	667.1	2%	109.1	11.6	845%	-	-	786.5	678.6	16%
Adjusted gross margin (%)	15.7%	15.2%		51.1%	11.9%				17.6%	15.3%	
Adjusted operating income before depreciation and amortisation (adjusted Ebitda)	-7.9	-0.1		26.0	-28.0		-	-	18.1	-28.0	
Adjusted Ebitda-margin (%)	-0.2%	0.0%		12.1%	-28.7%				0.4%	-0.6%	
Adjusted operating income (adjusted Ebit)	-62.8	-31.2		11.6	-35.5		-	-	-51.2	-66.7	
Adjusted Ebit-margin (%)	-1.5%	-0.7%		5.4%	-36.4%				-1.1%	-1.5%	
Financial items	0.1	-5.3		-8.4	-1.7		-	-	-8.3	-7.1	
Adjusted income before tax	-62.7	-36.5		3.2	-37.3		-	-	-59.5	-73.8	
Items affecting comparability, excluded above	-35.4	-57.1		-	-		-	-	-35.4	-57.1	
Cash flow from operations	45.4	-79.0		-220.8	-323.9		-	-	-175.4	-402.9	
QFS net loans to the public, at end of period	-	-		745.8	505.6	48%	-	-	745.8	505.6	48%
of which externally financed, at end of period	-	-		511.8	328.0		-	-	511.8	328.0	
Opening inventory balance	622.2	596.4	4%	-	-		-	-	622.2	596.4	4%
Closing inventory balance	547.9	622.2	-12%	-	-		-	-	547.9	622.2	-12%

Net sales per segment, Jan-Dec 2016



Net sales per segment, Jan-Dec 2015



<sup>1</sup>Presented on page 8

<sup>2</sup>Qliro Group's sale of subsidiary Tretti AB was completed in the third quarter. Thus, Tretti is recognised as a discontinued operation in the consolidated income statement. Comparative figures in the Group's income statements and cash flow statements have been adjusted correspondingly. Continuing operations are presented in the table above and in the text on the following pages, unless otherwise stated.

### Earnings summary

Consolidated net sales increased by 2 percent in the fourth quarter year-on-year. Excluding exchange rate fluctuations, sales rose by 1 percent in the quarter. Net sales for the full year increased by 1 percent and exchange rate fluctuations had only a marginal impact on sales.

The adjusted consolidated gross margin rose by 4.2 percentage points to 18.7% (14.5%) during the quarter. The improvement was primarily attributable to Nelly's strong margin development and the higher contribution from Qliro Financial Services to the Group's gross profit. The adjusted gross margin for the full year increased with 2.3 percentage points to 17.6% (15.3%).

The Group's adjusted operating income before depreciation and amortisation (adjusted EBITDA) amounted to SEK 48.0 (6.1) million in the fourth quarter. Adjusted EBITDA for the full year amounted to SEK 18.1 (-28.0) million.

The Group's adjusted operating income (adjusted EBIT) amounted to SEK 25.6 (-5.8) million in the quarter.

Consolidated net financial items amounted to SEK -1.2 (-3.6) million for the quarter and mainly comprised interest expenses attributable to Qliro Financial Services, along with positive currency effects. Net financial items for the full year amounted to SEK -8.3 (-7.1) million.

Group pre-tax income amounted to SEK 24.3 (-35.6) million in the quarter and SEK -94.8 (-130.9) million for the full year.

During the quarter, the Group recognised a tax expense of SEK -4.3 (tax income 6.2) million. Tax income of SEK 19.1 (28.5) million was recognised for the full year as a result of capitalised loss carry forwards.

Income after tax for continuing operations amounted to SEK 20.1 (-29.4) million for the quarter, and basic and diluted earnings per share amounted to SEK 0.13 (-0.20). Income after tax for continuing operations amounted to SEK -75.8 (-102.4) million for the full year, and basic and diluted earnings per share amounted to SEK -0.51 (-0.69).

The earnings impact from the disposal of Tretti, which was completed in the third quarter, including Tretti's operating income, was recognised as Income from discontinued operations. This earnings impact amounted to SEK -110.6 (0.7) million for the full year. Income after tax for continuing and discontinued operations amounted to SEK -186.4 (-101.6) million for the full year. Earnings per share for continuing and discontinued operations amounted to SEK -1.24 (-0.68) before and after dilution for the full year.

### Cash flow and financial position

Consolidated cash flow from operating activities, before changes in working capital, amounted to SEK 53.7 (-23.5) million for the quarter. Cash flow from operating activities for the full year, before changes in working capital, amounted to SEK -7.9 (-96.0) million.

Cash flow from changes in working capital within E-commerce operations amounted to SEK 272.7 (205.8) million in the quarter. Changes in working capital in the quarter were chiefly attributable to seasonally higher accounts payable, along with slightly reduced inventory levels. Cash flow from changes in working capital for the full year was SEK 67.1 (17.1) million within E-commerce operations, with the positive effect primarily attributable to reduced inventory levels.

Cash flow from changes in working capital in Financial Services (Qliro Financial Services) amounted to SEK -163.4 (-209.1) million in the quarter. Cash flow from changes in working capital for the full year amounted to SEK -234.6 (-324.0) million. Cash flow from changes in working capital for Qliro Financial Services was mainly attributable to increased lending to the public.

Including Qliro Financial Services' increased lending to the public, cash flow from operations for the Group amounted to SEK 163.0 (-26.8) million in the quarter. Corresponding cash flow for the full year amounted to SEK -175.4 (-402.9) million.

Consolidated cash flow to investing activities amounted to SEK -31.3 (-31.6) million for the quarter, with slightly more than half attributable to Qliro Financial Services. Cash flow from investing activities for the full year

amounted to SEK 154.7 (-112.5) million. Excluding the sale of Tretti, cash flow to investing activities for the year amounted to SEK -95.3 million.

During the quarter, cash flow from financing activities consisted of changes to Qliro Financial Services' utilisation of credit facilities of SEK 122.1 (155.6) million. Cash flow from financing activities for the full year amounted to SEK 145.8 (330.3) million and comprised Qliro Financial Services' increased use of credit facilities, along with repayment of a loan from Tretti of SEK -33.0 (-) million in connection with the divestment in the third quarter.

Cash flow from discontinued operations (Tretti) amounted to SEK 35.3 (-22.3) million for the full year.

Group cash and cash equivalents, including translation differences, amounted to SEK 435.2 (324.2) million at year-end. Qliro Financial Services utilised credit facilities of SEK 511.8 (328.0) million at year-end.

Total consolidated assets at the end of the reporting period amounted to SEK 2,536.7 (2,651.1) million. Consolidated equity amounted to SEK 1,026.2 (1,205.4) million at the end of the year. The reduction in equity is partly attributable to earnings for the year for continuing operations, but is primarily due to the earnings impact from the disposal of Tretti.

### Summary of items affecting comparability<sup>1</sup>

(SEK million)		2016	2015	2016	2015
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Segment	Type of cost/revenue				
CDON	Costs attributable to warehouse consolidation	-	-	-	-8.2
CDON	Costs attributable to reorganisation	-	-	-15.3	-1.6
CDON	Costs attributable to a more conservative approach to development expenditures, and the criteria for capitalising them	-	-	-7.0	-
<b>CDON total</b>		-	-	-22.3	-9.8
Nelly	Costs attributable to a more conservative approach to development expenditures, and the criteria for capitalising them	-	-	-4.2	-
Gymgrossisten	Costs attributable to reorganisation	-	-	-	-4.6
Lekmer	Costs related to warehouse move	-	-26.2	-	-42.7
Central operations	Increased provision due to a more conservative approach to inventory management	-	-	-8.9	-
<b>Effect on operating income (Ebit)</b>		-	-26.2	-35.4	-57.1

<sup>1</sup> Separate reporting of items affecting comparability between periods intended to provide a better understanding of the Group's operating activities. Items affecting comparability are excluded from the section "Development by segment" on pages 9-14.



## DEVELOPMENT BY SEGMENT

CDON.COM

CDON Marketplace<sup>1</sup>

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Gross Merchandise Value, external merchants	155.5	88.9	75%	350.0	223.9	56%
Total Gross Merchandise value <sup>2</sup>	799.5	787.0	2%	2,069.4	2,058.3	1%
Net sales	657.8	706.9	-7%	1,751.0	1,853.5	-6%
Adjusted operating income before depreciation and amortization (adjusted Ebitda)	23.5	18.6		5.2	19.0	
Adjusted operating margin before depreciation and amortization (%)	3.6%	2.6%		0.3%	1.0%	
Adjusted operating income (Ebit)	16.7	15.2		-15.0	8.9	
Adjusted operating margin (%)	2.5%	2.2%		-0.9%	0.5%	
Items affecting comparability, excluded above	-	-		-22.3	-9.8	
Cash flow from operations	194.6	105.0		47.9	17.8	
Investments (CAPEX)	-4.0	-8.5		-11.7	-29.0	
Cash flow after investments	190.6	96.4		36.2	-11.3	
Opening inventory balance	140.2	192.2	-27%	236.2	237.9	-1%
Closing inventory balance	186.1	236.2	-21%	186.1	236.2	-21%
Active customers (thousand) <sup>3</sup>	1,707	1,729	-1%	1,707	1,729	-1%
Visits (thousand)	31,181	31,236	0%	85,039	86,767	-2%
Orders (thousand)	1,249	1,285	-3%	3,374	3,500	-4%
Average shopping basket (SEK)	637	616	3%	614	590	4%

<sup>1</sup>Excluding items affecting comparability, which are detailed on page 8

<sup>2</sup>Commission income is replaced by gross merchandise value from the segment's external merchants

<sup>3</sup>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, furniture and toys. Gross merchandise value, net sales including sales generated for external merchants, increased by 2 percent in the quarter and by 1 percent for the full year. Sales generated for external merchants increased by 75 percent during the quarter to SEK 155.5 (88.9) million, and by 56 percent to SEK 350.0 (223.9) million for the full year. Net sales decreased by 7 percent in the quarter and by 6 percent for the full year, partly due to the transferral of book sales to external merchant Adlibris.

Black Friday 2016 entailed a new sales record for CDON Marketplace, and the company attracted around 2.7 million visitors during the day. Just over 420 thousand products were sold, and CDON Marketplace generated a total of over 170 thousand orders, which corresponds to around two orders per second during the 24-hour period. Black Friday combined with substantial Christmas sales contributed to the increase in total gross merchandise value 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 and that 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.

Adjusted operating income amounted to SEK 16.7 (15.2) million for the fourth quarter and SEK -15.0 (8.9) million for the full year. Full-year income was affected by higher depreciation and increased marketing costs compared with 2015.

## NELLY.COM

Nelly<sup>1</sup>

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	<b>392.3</b>	358.4	9%	<b>1,243.8</b>	1,197.0	4%
Adjusted operating income before depreciation and amortization (adjusted Ebitda)	<b>39.3</b>	-1.8		<b>59.9</b>	-11.7	
Adjusted operating margin before depreciation and amortization (%)	<b>10.0%</b>	-0.5%		<b>4.8%</b>	-1.0%	
Adjusted operating income (Ebit)	<b>30.4</b>	-4.1		<b>34.3</b>	-19.4	
Adjusted operating margin (%)	<b>7.7%</b>	-1.1%		<b>2.8%</b>	-1.6%	
Items affecting comparability, excluded above	-	-		<b>-4.2</b>	-	
Cash flow from operations	<b>122.3</b>	55.8		<b>84.4</b>	-6.7	
Investments (CAPEX)	<b>-6.5</b>	-7.0		<b>-17.6</b>	-22.3	
Cash flow after investments	<b>115.7</b>	48.8		<b>66.7</b>	-29.1	
Opening inventory balance	<b>232.7</b>	258.3	-10%	<b>189.8</b>	196.2	-3%
Closing inventory balance	<b>159.8</b>	189.5	-16%	<b>159.8</b>	189.5	-16%
Active customers (thousand) <sup>2</sup>	<b>1,162</b>	1,243	-7%	<b>1,162</b>	1,243	-7%
Visits (thousand)	<b>30,911</b>	34,067	-9%	<b>107,728</b>	133,383	-19%
Orders (thousand) <sup>3</sup>	<b>837</b>	804	4%	<b>2,735</b>	2,766	-1%
Average shopping basket (SEK)	<b>662</b>	627	6%	<b>654</b>	620	5%

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

<sup>1</sup>Excluding items affecting comparability, which are detailed on page 8

<sup>2</sup>Past twelve months

<sup>3</sup>Recognised before returns

Nelly comprises the online stores Nelly.com, NLYman.com and Members.com. Nelly's net sales increased by 9 percent for the quarter and by 4 percent for the full year. Net sales in the core Nordic market also increased by 9 percent in the quarter. The growth in the Nordic region was driven by strong growth in Norway and 7 percent growth in Sweden in the quarter. The strong growth in Norway was partly due to a stronger Norwegian krona compared to the same period last year.

Nelly's marketing efforts continued to focus more on existing customers in the quarter, which affected the number of visits while the number of orders and the average order value increased during the quarter. The share of private label sales increased by 7 percentage points in the fourth quarter compared with same period last year, and amounted to 44% (37%). The product margin increased to 47% compared to 43% in the same quarter last year, primarily due to increased private label sales and an improved assortment strategy.

Adjusted operating income for the quarter increased by more than SEK 34 million compared to the previous year and amounted to SEK 30.4 (-4.1) million. The earnings improvement in the quarter is mainly a result of increased sales, the improved product margin as well as more efficient inventory management and marketing. Adjusted operating income for the full year increased by SEK 53.7 million and amounted to SEK 34.3 (-19.4) million.

Other data	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Share, private label sales	<b>44%</b>	37%	7%	<b>40%</b>	36%	4%
Return ratio <sup>1</sup>	<b>33%</b>	33%	0%	<b>33%</b>	33%	0%
Product margin <sup>2</sup>	<b>47%</b>	43%	5%	<b>45%</b>	44%	1%
Fulfillment and distribution costs	<b>18%</b>	21%	-3%	<b>20%</b>	21%	-1%
Nordics, share of net sales	<b>92%</b>	92%	0%	<b>92%</b>	90%	2%

<sup>1</sup>Past twelve months

<sup>2</sup>Historical figures adjusted for comparability, based on changed calculation basis

Gymgrossisten<sup>1</sup>

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	<b>200.3</b>	203.4	-2%	<b>810.1</b>	851.9	-5%
Adjusted operating income before depreciation and amortization (adjusted Ebitda)	<b>6.7</b>	10.9		<b>50.7</b>	55.3	
Adjusted operating margin before depreciation and amortization (%)	<b>3.3%</b>	5.3%		<b>6.3%</b>	6.5%	
Adjusted operating income (Ebit)	<b>5.8</b>	10.0		<b>47.5</b>	52.2	
Adjusted operating margin (%)	<b>2.9%</b>	4.9%		<b>5.9%</b>	6.1%	
Items affecting comparability, excluded above	-	-		-	-4.6	
Cash flow from operations	<b>-22.0</b>	-9.6		<b>22.4</b>	48.6	
Investments (CAPEX)	<b>-1.8</b>	-0.9		<b>-5.4</b>	-5.1	
Cash flow after investments	<b>-23.8</b>	-10.5		<b>17.0</b>	43.6	
Opening inventory balance	<b>89.3</b>	78.6	14%	<b>112.2</b>	97.1	16%
Closing inventory balance	<b>107.1</b>	112.2	-5%	<b>107.1</b>	112.2	-5%
Active customers (thousand) <sup>2</sup>	<b>596</b>	570	5%	<b>596</b>	570	5%
Visits (thousand)	<b>5,926</b>	5,580	6%	<b>23,639</b>	23,495	1%
Orders (thousand)	<b>298</b>	268	11%	<b>1,180</b>	1,140	3%
Average shopping basket (SEK)	<b>682</b>	753	-9%	<b>693</b>	749	-7%

<sup>1</sup>Excluding items affecting comparability, which are detailed on page 8

<sup>2</sup>Past twelve months

Gymgrossisten comprises the online stores Gymgrossisten, Bodystore and Milebreaker, as well as the company Fitness Market Nordic, which sells nutritional supplements primarily to grocery stores. Net sales decreased by 2 percent in the quarter and 5 percent for the full year.

The categories protein-rich foods, natural products and clothing and accessories 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 fourth quarter.

In the quarter, the web platform was changed for all Gymgrossisten websites in the Nordic countries and Gymgrossisten also put more efforts into sales and process management as well as marketing. These initiatives are important for Gymgrossisten's development going forward, but also led to increased costs during the quarter.

Adjusted operating income amounted to SEK 5.8 (10.0) million for the fourth quarter and SEK 47.5 (52.2) million for the full year, corresponding to an adjusted EBIT margin of 5.9% (6.1%). Adjusted operating income in the quarter were negatively affected by costs associated with the change of the web platform and the efforts related to sales and process management and marketing.

Other data	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Share, private label sales	<b>39%</b>	43%	-4%	<b>44%</b>	45%	-1%
Product margin	<b>37%</b>	35%	2%	<b>37%</b>	34%	3%
Fulfillment and distribution costs	<b>14%</b>	14%	1%	<b>14%</b>	13%	1%

Lekmer<sup>1</sup>

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	225.5	203.1	11%	501.8	481.8	4%
Adjusted operating income before depreciation and amortization (adjusted Ebitda)	-24.7	-14.8		-78.6	-33.1	
Adjusted operating margin before depreciation and amortization (%)	-11.0%	-7.3%		-15.7%	-6.9%	
Adjusted operating income (Ebit)	-26.2	-15.3		-81.9	-34.9	
Adjusted operating margin (%)	-11.6%	-7.5%		-16.3%	-7.2%	
Items affecting comparability, excluded above	-	-26.2		-	-42.7	
Opening inventory balance	107.7	79.2	36%	84.0	65.0	29%
Closing inventory balance	94.9	84.0	13%	94.9	84.0	13%
Active customers (thousand) <sup>2</sup>	446	414	8%	446	414	8%
Visits (thousand)	11,049	10,513	5%	29,591	28,849	3%
Orders (thousand)	390	366	7%	854	859	-1%
Average shopping basket (SEK)	591	556	6%	603	572	5%

<sup>1</sup>Excluding items affecting comparability, which are detailed on page 8

<sup>2</sup>Past twelve months

Lekmer includes the online store Lekmer.com and Lekmer's physical store in Barkarby outside of Stockholm. Net sales increased by 11 percent in the quarter compared with the previous year, while sales for the full year increased by 4 percent.

Lekmer has suffered from operational challenges linked to its warehouse operations during the year, which has led to high fulfilment costs. The company has launched initiatives focusing on increased efficiency. However, the efforts have not provided the desired effect and need to be further intensified. During the quarter, Oscar Tjärnberg was appointed new CEO of Lekmer. Oscar has significant experience of logistics, change management and business development within e-commerce, which is well suited to Lekmer's future development and current focus.

Delivery quality, however, remains good and Lekmer has during the quarter focused on customer satisfaction and customer recruitment, as the fourth quarter is an important customer acquisition period for next year's sales. The number of active customers, the average shopping basket and the number of orders increased during the quarter.

Adjusted operating income amounted to SEK -26.2 (-15.3) million in the quarter and SEK -81.9 (-34.9) million for the full year. Including the previous year's items affecting comparability, operating income amounted to SEK -26.2 (-41.5) million in the quarter and SEK -81.9 (-77.7) million for the full year.

## Qliro Financial Services

(SEK million)	2016	2015	Change	2016	2015	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Interest income	19.4	8.5		62.3	19.8	
Other income	52.4	33.7		163.7	90.9	
Total operating revenue	71.8	42.3	70%	226.0	110.7	104%
Administrative expenses <sup>1</sup>	-24.1	-22.8	6%	-105.5	-78.8	34%
Other operating expenses	-28.6	-15.8	81%	-95.4	-52.8	81%
Financial net	-3.6	-0.9	291%	-8.4	-1.7	381%
Operating income before depreciation, amortization and tax (Ebt <sub>da</sub> ) <sup>2</sup>	15.4	2.7		16.6	-22.6	
Operating income before tax (Ebt) <sup>2</sup>	11.2	0.2		2.3	-30.1	
Loans to the public, gross	782.8	527.8		782.8	527.8	
of which externally financed	511.8	328.0		511.8	328.0	
Business volume <sup>3</sup>	1,069	987	8%	3,182	2,630	21%
Orders (thousand) <sup>3</sup>	1,260	1,145	10%	3,644	3,152	16%
Average shopping basket (SEK)	848	862	-2%	873	834	5%

<sup>1</sup>Historical figures adjusted for comparability. Financial costs are as of the fourth quarter 2016 reported separately, from previously having been included in Administrative expenses

<sup>2</sup>Ebt and Ebt<sub>da</sub> recognised instead of the previous Ebit and Ebit<sub>da</sub>. Ebt and Ebt<sub>da</sub> are presented from the segment Qliro Financial Services' perspective. Group perspective is presented in non-GAAP financial measures on page 29

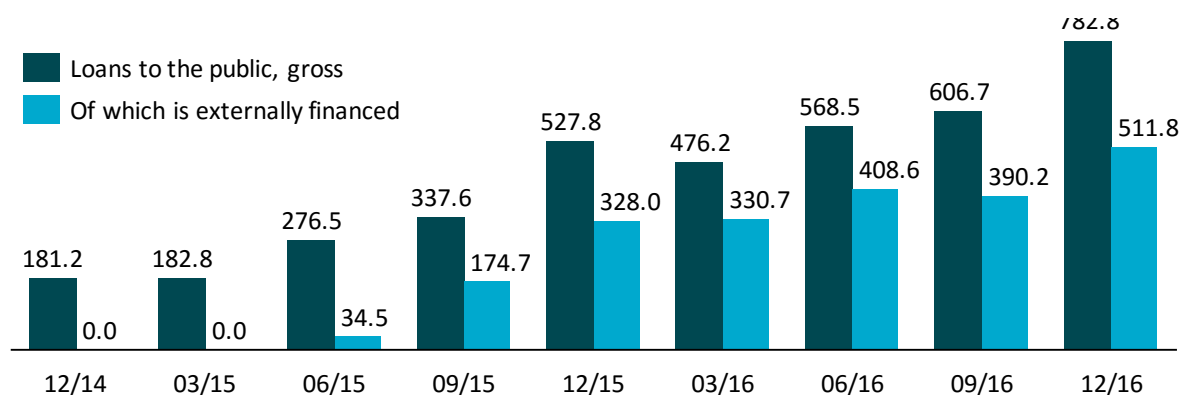
<sup>3</sup>2015 numbers adjusted according to changed calculation methodology

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 operating income (EBT) amounted to SEK 11.2 (0.2) million in the fourth quarter. For the full year, Qliro Financial Services reported a positive operating income of SEK 2.3 (-30.1) million, corresponding to an improvement of SEK 32.4 million compared to last year. The business volume increased by 8 percent in the quarter compared with the same period last year. Total operating revenue increased by 70 percent in the quarter and by 104 percent for the full year. Gross lending to the public amounted to SEK 782.8 (527.8) million at the end of the quarter. The lending was financed in the amount of SEK 511.8 (328.0) 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 revenue, 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.



**Commercial development**

The fourth quarter saw continued development of Qliro's checkout solution, Qliro One. The solution has been piloted on Lekmer, and tests have shown increased conversion rates and an improvement in the payment method mix. Qliro One will continue to be rolled out on Qliro Group's other sites during the first quarter of 2017. Qliro One has also been very positively received outside of Qliro Group, and the solution will be launched on a number of external merchants during the first half of 2017. Furthermore, a successful pilot launch of Qliro Click was carried out in the fourth quarter. Qliro Click is a solution that allows customers to pay their invoices on "My pages" on Qliro.com with one click. The solution has been developed in collaboration with Tink, and is due to be launched in the first quarter of 2017 with the aim of further enhancing the end-customer experience of Qliro.

The Swedish Financial Supervisory Authority has not yet reverted with a decision regarding Qliro Financial Services' application for a licence to operate as a credit market company. An approved licence would enable Qliro Financial Services to introduce savings accounts which are subject to the state-provided deposit insurance and issue consumer credits on the Norwegian market. Furthermore, the license would also enable Qliro to launch additional digital financial services in the future. In the fourth quarter, Qliro Financial Services launched invoice payments in Norway for one external merchant.

At the end of the quarter, Qliro Financial Services had 158 full-time employees.

### Parent company

The Qliro Group AB parent company reported sales of SEK 4.6 (4.7) million in the fourth quarter and SEK 17.5 (19.9) million for the full year. Income for the period amounted to SEK -44.0 (-115.9) million in the quarter and SEK -177.7 (-131.9) million for the full year. Cash and cash equivalents in the parent company amounted to SEK 422.6 (280.6) million at year-end.

### 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](mailto: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.

### Dividends

The Board of Directors will propose to the 2017 AGM that no dividend be paid to shareholders for the fiscal year ended 31 December 2016, and that retained earnings be carried forward into the 2017 accounts.

### 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](mailto:ir@qlirogroup.com) or to Qliro Group AB (publ), attn: Company Secretary, P.O. Box 195 25, SE-104 32 Stockholm, Sweden.

### 2016 Annual Report

The 2016 Annual Report will be available at [www.qlirogroup.com](http://www.qlirogroup.com) and can be obtained from the Company's head office at Sveavägen 151 in Stockholm at least three weeks prior to the 2017 AGM.

### 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 surcharge of approx. EUR 1.9 million on CDON AB's Finnish subsidiary CDON Alandia AB. CDON Alandia maintains that the company acted correctly and in accordance with applicable law and appealed the tax decision to the Helsinki Administrative Court in the first quarter 2016, where the process is still pending. As of yet, no date for the hearing has been set.

On 12 January 2017, Qliro Group announced that CDON Alandia Ab - at the request of the Åland authorities - had paid EUR 5.9 million attributable to the tax claim previously put forward by the Finnish Tax Administration relating to the 2012 financial year, pending the resolution of the tax dispute. CDON Alandia and its legal advisors maintain the position that the company has acted correctly and in accordance with applicable law. In light of this, the company has not expensed the amount paid.

### Results for the first quarter 2017

Qliro Group's results for the first quarter 2017 will be published on 19 April 2017.

This report has not been subject to review by the Group's auditor.

25 January 2017

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Lars-Johan Jarnheimer  
*Chairman of the Board*

Caren Genthner-Kappesz  
*Board member*

Patrick Andersen  
*Board member*

Peter Sjunnesson  
*Board member*

David Kelly  
*Board member*

Marcus Lindqvist  
*CEO*

Lorenzo Grabau  
*Board member*

Daniel Mytnik  
*Board member*

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To participate in the conference call, please dial:

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United Kingdom: +44 (0)330 336 9411

United States of America: +1 719-457-1036

The access pin code for the conference call is 6308084.

To listen to the conference call online, please go to [www.qlirogroup.com](http://www.qlirogroup.com).



**For additional information, please visit [www.qlirogroup.com](http://www.qlirogroup.com) or contact:**

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**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 2016, the group generated 4.5 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 25 January 2017.

CONSOLIDATED INCOME STATEMENT FOURTH QUARTER CONDENSED (SEK million)	E-commerce		Financial services		Eliminations		Qliro Group Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Net sales	1,474.8	1,472.1	65.8	34.6	-17.2	-19.1	1,523.4	1,487.6
Cost of goods and services	-1,229.8	-1,291.4	-25.8	-25.6	17.2	19.1	-1,238.4	-1,297.9
<b>Gross profit</b>	<b>245.0</b>	<b>180.7</b>	<b>40.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>285.0</b>	<b>189.7</b>
Sales and administration expenses	-234.3	-214.3	-32.8	-18.3	0.8	0.2	-266.3	-232.4
Other operating income and expenses, net	1.6	3.3	6.0	7.6	-0.8	-0.2	6.8	10.7
<b>Operating profit or loss</b>	<b>12.4</b>	<b>-30.3</b>	<b>13.2</b>	<b>-1.7</b>	<b>0.0</b>	<b>0.0</b>	<b>25.6</b>	<b>-32.0</b>
Net interest & other financial items	2.4	-2.7	-3.6	-0.9	-	-	-1.2	-3.6
<b>Net profit or loss before tax</b>	<b>14.8</b>	<b>-33.0</b>	<b>9.5</b>	<b>-2.6</b>	<b>-</b>	<b>-</b>	<b>24.3</b>	<b>-35.6</b>
Tax							-4.3	6.2
<b>Net profit or loss for continued operations</b>							<b>20.1</b>	<b>-29.4</b>
<b>Net profit or loss for discontinued operations</b>							-	-
<b>Total net profit or loss for continued and discontinued operations</b>							<b>20.1</b>	<b>-29.4</b>
<i>Attributable to:</i>								
Equity holders of the parent							20.1	-30.1
Non-controlling interests							0.0	0.7
<b>Net income for the period</b>							<b>20.1</b>	<b>-29.4</b>
Basic earnings per share (excluding discontinued operations) before and after dilution (SEK)							0.13	-0.20
Basic earnings per share (including discontinued operations) before and after dilution (SEK)							0.13	-0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOURTH QUARTER CONDENSED (SEK million)	Qliro Group Total	
	2016	2015
<b>Profit or loss for the period</b>	<b>20.1</b>	<b>-29.4</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Translation difference for the period	0.1	-6.1
<b>Other comprehensive income for the period</b>	<b>0.1</b>	<b>-6.1</b>
<b>Total comprehensive income for period</b>	<b>20.2</b>	<b>-35.5</b>
<i>Total comprehensive income attributable to:</i>		
Parent company shareholders	20.2	-36.2
Non-controlling interests	0.0	0.7
<b>Total comprehensive income for the period</b>	<b>20.2</b>	<b>-35.5</b>

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

CONSOLIDATED INCOME STATEMENT YEAR CONDENSED (SEK million)	E-commerce		Financial Services		Eliminations		Qliro Group Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Net sales	4,309.2	4,388.6	213.7	97.5	-54.4	-55.4	4,468.6	4,430.6
Cost of goods and services	-3,640.8	-3,767.8	-104.6	-85.9	54.4	55.4	-3,691.0	-3,798.3
<b>Gross profit</b>	<b>668.4</b>	<b>620.7</b>	<b>109.1</b>	<b>11.6</b>	<b>0.0</b>	<b>0.0</b>	<b>777.5</b>	<b>632.3</b>
Sales and administration expenses	-766.0	-712.6	-109.7	-60.3	2.9	0.9	-872.8	-772.0
Other operating income and expenses, net	-0.6	3.6	12.2	13.2	-2.9	-0.9	8.7	15.9
<b>Operating profit or loss</b>	<b>-98.2</b>	<b>-88.3</b>	<b>11.6</b>	<b>-35.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-86.6</b>	<b>-123.8</b>
Net interest & other financial items	0.1	-5.3	-8.4	-1.7	-	-	-8.3	-7.1
<b>Net profit or loss before tax</b>	<b>-98.0</b>	<b>-93.6</b>	<b>3.2</b>	<b>-37.3</b>	<b>-</b>	<b>-</b>	<b>-94.8</b>	<b>-130.9</b>
Tax							19.1	28.5
<b>Net profit or loss for continued operations</b>							<b>-75.8</b>	<b>-102.4</b>
<b>Net profit or loss for discontinued operations</b>							<b>-110.6</b>	<b>0.7</b>
<b>Total net profit or loss for continued and discontinued operations</b>							<b>-186.4</b>	<b>-101.6</b>
<b>Attributable to:</b>								
Equity holders of the parent							-185.7	-101.6
Non-controlling interests							-0.7	0.0
<b>Net income for the period</b>							<b>-186.4</b>	<b>-101.6</b>
Basic earnings per share (excluding discontinued operations) before and after dilution (SEK)							-0.51	-0.69
Basic earnings per share (including discontinued operations) before and after dilution (SEK)							-1.24	-0.68

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME YEAR CONDENSED (SEK million)	Qliro Group Total	
	2016	2015
<b>Profit or loss for the period</b>	<b>-186.4</b>	<b>-101.6</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Translation difference for the period	4.7	-7.9
<b>Other comprehensive income for the period</b>	<b>4.7</b>	<b>-7.9</b>
<b>Total comprehensive income for period</b>	<b>-181.6</b>	<b>-109.6</b>
<b>Total comprehensive income attributable to:</b>		
Parent company shareholders	-180.9	-109.5
Non-controlling interests	-0.7	0.0
<b>Total comprehensive income for the period</b>	<b>-181.6</b>	<b>-109.5</b>
Shares outstanding at period's end	149,269,779	149,269,779
Average number of shares, basic and diluted	149,269,779	149,269,779

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	E-commerce		Financial services		Eliminations		Qliro Group Total	
	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
<b>Non-current assets</b>								
Goodwill	211.5	455.3	-	-	-	-	211.5	455.3
Other intangible assets	172.3	245.8	86.1	48.5	-	-	258.4	294.3
<b>Total intangible assets</b>	<b>383.8</b>	<b>701.1</b>	<b>86.1</b>	<b>48.5</b>	-	-	<b>469.9</b>	<b>749.5</b>
Tangible assets	19.0	32.4	9.3	4.7	-	-	28.3	37.1
Deferred tax asset	120.3	93.3	1.7	1.8	-	-	122.0	95.2
<b>Total non-current assets</b>	<b>523.2</b>	<b>826.8</b>	<b>97.0</b>	<b>55.0</b>	-	-	<b>620.3</b>	<b>881.8</b>
<b>Current assets</b>								
Inventories	547.9	702.0	-	-	-	-	547.9	702.0
Loans to the public <sup>1</sup>	-	-	745.8	505.6	-	-	745.8	505.6
Non-interest bearing receivables	181.7	418.2	12.9	24.0	-7.0	-204.6	187.7	237.6
Cash and cash equivalents	435.2	324.2	-	-	-	-	435.2	324.2
<b>Total current assets</b>	<b>1,164.7</b>	<b>1,444.4</b>	<b>758.7</b>	<b>529.5</b>	<b>-7.0</b>	<b>-204.6</b>	<b>1,916.4</b>	<b>1,769.3</b>
<b>Total assets</b>	<b>1,687.9</b>	<b>2,271.2</b>	<b>855.7</b>	<b>584.5</b>	<b>-7.0</b>	<b>-204.6</b>	<b>2,536.7</b>	<b>2,651.1</b>
<b>Equity</b>								
Equity attributable to owners of the parent	730.9	1,162.0	295.3	42.8	-	-	1,026.2	1,204.8
Non-controlling interest	-	0.7	-	-	-	-	-	0.7
<b>Total equity</b>	<b>730.9</b>	<b>1,162.7</b>	<b>295.3</b>	<b>42.8</b>	-	-	<b>1,026.2</b>	<b>1,205.4</b>
<b>Non-current liabilities</b>								
<i>Non interest bearing</i>								
Deferred tax liability	12.4	23.4	-	-	-	-	12.4	23.4
Other provisions	4.8	3.3	-	-	-	-	4.8	3.3
<i>Interest bearing</i>								
Non-current interest bearing liabilities	-	-	0.8	-	-	-	0.8	-
<b>Total non-current liabilities</b>	<b>17.3</b>	<b>26.7</b>	<b>0.8</b>	-	-	-	<b>18.0</b>	<b>26.7</b>
<b>Current liabilities</b>								
Short term interest bearing loans	-	-	511.8	328.0	-	-	511.8	328.0
Current interest-bearing liabilities	-	-	0.6	-	-	-	0.6	-
Current non-interest bearing liabilities	939.8	1,081.9	47.1	213.9	-7.0	-204.6	979.9	1,091.0
<b>Total current liabilities</b>	<b>939.8</b>	<b>1,081.9</b>	<b>559.6</b>	<b>541.8</b>	<b>-7.0</b>	<b>-204.6</b>	<b>1,492.4</b>	<b>1,419.0</b>
<b>Total equity and liabilities</b>	<b>1,687.9</b>	<b>2,271.2</b>	<b>855.7</b>	<b>584.5</b>	<b>-7.0</b>	<b>-204.6</b>	<b>2,536.7</b>	<b>2,651.1</b>

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

<sup>1</sup> Loans to the public are recognized at net value (gross value reported previously).

CONSOLIDATED STATEMENT OF CASH FLOWS FOR FOURTH QUARTER CONDENSED (SEK million)	E-commerce		Financial services		Eliminations		Qliro Group Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Cash flow from operating activities before changes in working capital	42.8	-53.2	10.9	29.7	-	-	53.7	-23.5
Changes in working capital	272.7	205.8	-163.4	-209.1	-	-	109.3	-3.3
<b>Cash flow from operations</b>	<b>315.5</b>	<b>152.6</b>	<b>-152.6</b>	<b>-179.4</b>	<b>-</b>	<b>-</b>	<b>163.0</b>	<b>-26.8</b>
Investments in other non-current assets	-13.8	-21.1	-17.5	-10.5	-	-	-31.3	-31.6
<b>Cash flow to/from investing activities</b>	<b>-13.8</b>	<b>-21.1</b>	<b>-17.5</b>	<b>-10.5</b>	<b>-</b>	<b>-</b>	<b>-31.3</b>	<b>-31.6</b>
Shares contribution, net change	-50.0	-40.0	50.0	40.0	-	-	-	-
Group contribution, net change	-	-12.8	-	12.8	-	-	-	-
Utilised credit facilities <sup>1</sup>	-	-	122.1	155.6	-	-	122.1	155.6
<b>Cash flow to/from financing activities</b>	<b>-50.0</b>	<b>-52.8</b>	<b>172.1</b>	<b>208.4</b>	<b>-</b>	<b>-</b>	<b>122.1</b>	<b>155.6</b>
<b>Change in cash and cash equivalents for the period from continued operations</b>	<b>251.7</b>	<b>78.8</b>	<b>2.0</b>	<b>18.5</b>	<b>-</b>	<b>-</b>	<b>253.7</b>	<b>97.3</b>
<i>Cash flow from discontinued operations</i>								
Cash flow from operations	-	-20.6	-	-	-	-	-	-20.6
Cash flow from investing activities	-	-0.8	-	-	-	-	-	-0.8
<b>Change in cash and cash equivalents for the period from discontinued operations</b>	<b>-</b>	<b>-21.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-21.3</b>
<b>Change in cash and cash equivalents for the period</b>	<b>251.7</b>	<b>57.4</b>	<b>2.0</b>	<b>18.5</b>	<b>-</b>	<b>-</b>	<b>253.7</b>	<b>75.9</b>
Cash and cash equivalents at period's start							180.9	249.1
Translation difference, cash and cash equivalents							0.5	-0.8
Less cash from discontinued operations							-	-
<b>Cash and cash equivalents at period's end</b>							<b>435.2</b>	<b>324.2</b>

<sup>1</sup> Utilised credit facilities within Qliro Financial Services

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR CONDENSED (SEK million)	E-commerce		Financial services		Eliminations		Qliro Group Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Cash flow from operating activities before changes in working capital	-21.7	-96.1	13.8	0.1	-	-	-7.9	-96.0
Changes in working capital	67.1	17.1	-234.6	-324.0	-	-	-167.5	-306.9
<b>Cash flow from operations</b>	<b>45.4</b>	<b>-79.0</b>	<b>-220.8</b>	<b>-323.9</b>	<b>-</b>	<b>-</b>	<b>-175.4</b>	<b>-402.9</b>
Investments in subsidiaries <sup>1</sup>	-0.7	-0.5	-	-	-	-	-0.7	-0.5
Investments in other non-current assets	-38.2	-80.8	-56.4	-31.2	-	-	-94.6	-112.0
Divested operations <sup>2</sup>	250.0	-	-	-	-	-	250.0	-
<b>Cash flow to/from investing activities</b>	<b>211.1</b>	<b>-81.4</b>	<b>-56.4</b>	<b>-31.2</b>	<b>-</b>	<b>-</b>	<b>154.7</b>	<b>-112.5</b>
New share issue in Qliro Financial Services	-50.0	-	50.0	-	-	-	-	-
Shareholder contribution, net change	-202.1	-40.0	202.1	40.0	-	-	-	-
Group contribution, net change	-29.9	-12.8	29.9	12.8	-	-	-	-
Utilised credit facilities <sup>3</sup>	-	-	178.8	330.3	-	-	178.8	330.3
Other cash flow from/to financing activities <sup>4</sup>	-33.0	-	-	-	-	-	-33.0	-
<b>Cash flow to/from financing activities</b>	<b>-314.9</b>	<b>-52.8</b>	<b>460.8</b>	<b>383.1</b>	<b>-</b>	<b>-</b>	<b>145.8</b>	<b>330.3</b>
<b>Change in cash and cash equivalents for the period from continued operations</b>	<b>-58.4</b>	<b>-213.2</b>	<b>183.6</b>	<b>28.1</b>	<b>-</b>	<b>-</b>	<b>125.2</b>	<b>-185.1</b>
<i>Cash flow from discontinued operations</i>								
Cash flow from operations	4.2	-11.8	-	-	-	-	4.2	-11.8
Cash flow from investing activities	-1.9	-5.2	-	-	-	-	-1.9	-5.2
Cash flow from financing activities <sup>4</sup>	33.0	-5.4	-	-	-	-	33.0	-5.4
<b>Change in cash and cash equivalents for the period from discontinued operations</b>	<b>35.3</b>	<b>-22.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.3</b>	<b>-22.3</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-23.1</b>	<b>-235.5</b>	<b>183.6</b>	<b>28.1</b>	<b>-</b>	<b>-</b>	<b>160.5</b>	<b>-207.4</b>
Cash and cash equivalents at period's start							324.2	534.0
Translation difference, cash and cash equivalents							2.2	-2.3
Less cash from discontinued operations							-51.6	-
<b>Cash and cash equivalents at period's end</b>							<b>435.2</b>	<b>324.2</b>

<sup>1</sup> Investments in subsidiaries Jan-Dec 2016 comprises earn out of SEK 0.7 million to founders of Fitness Market Nordic AB

<sup>2</sup> Divested operations Jan-Dec 2016 comprises consideration related to the sale of Tretti AB

<sup>3</sup> Utilised credit facilities within Qliro Financial Services

<sup>4</sup> 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 31-Dec	2015 31-Dec
Opening balance January	1,205.4	1,314.5
Comprehensive income for the period	-181.6	-109.5
Effects of long term incentive program	2.5	0.5
<b>Closing balance</b>	<b>1,026.2</b>	<b>1,205.4</b>

NET SALES BY SEGMENT (SEK million)	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 Full year	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2015 Full year
CDON	657.8	333.4	356.9	403.1	1,751.0	706.9	386.6	337.6	422.5	1,853.5
Nelly <sup>1</sup>	392.3	252.5	331.0	268.0	1,243.8	358.4	246.5	337.7	254.4	1,197.0
Gymgrossisten	200.3	192.8	198.1	218.8	810.1	203.4	197.1	205.5	245.9	851.9
Lekmer	225.5	89.0	96.8	90.6	501.8	203.1	86.6	97.2	95.0	481.8
Group central operations Of which CGL AB <sup>1</sup>	2.5 -	1.1 -	1.8 -	2.0 -	7.4 -	34.6 31.7	26.9 26.9	34.2 34.2	35.8 35.8	131.6 128.7
Eliminations within E-commerce	-3.6	-0.2	-0.6	-0.7	-5.0	-34.2	-25.6	-33.2	-34.2	-127.3
<b>Total E-commerce</b>	<b>1,474.8</b>	<b>868.6</b>	<b>983.9</b>	<b>981.8</b>	<b>4,309.1</b>	<b>1,472.1</b>	<b>918.1</b>	<b>979.0</b>	<b>1,019.4</b>	<b>4,388.6</b>
Qliro Financial Services	65.8	58.8	47.9	41.3	213.7	34.6	25.3	21.2	16.3	97.5
Eliminations within Financial Services	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Services</b>	<b>65.8</b>	<b>58.8</b>	<b>47.9</b>	<b>41.3</b>	<b>213.7</b>	<b>34.6</b>	<b>25.3</b>	<b>21.2</b>	<b>16.3</b>	<b>97.5</b>
Eliminations between E-commerce and Financial Services	-17.2	-10.3	-13.2	-13.7	-54.4	-19.1	-13.1	-11.8	-11.4	-55.4
<b>QLIRO GROUP CONSOLIDATED TOTAL</b>	<b>1,523.4</b>	<b>917.1</b>	<b>1,018.5</b>	<b>1,009.4</b>	<b>4,468.6</b>	<b>1,487.6</b>	<b>930.3</b>	<b>988.3</b>	<b>1,024.4</b>	<b>4,430.6</b>
<b>Eliminations within E-commerce</b>										
CDON	1.4	0.9	1.4	0.9	4.5	2.4	1.3	1.5	1.3	6.5
Group central operations <sup>1</sup>	2.2	-0.7	-0.8	-0.2	0.5	31.9	24.2	31.8	32.9	120.8
<b>Total</b>	<b>3.6</b>	<b>0.2</b>	<b>0.6</b>	<b>0.7</b>	<b>5.0</b>	<b>34.2</b>	<b>25.6</b>	<b>33.2</b>	<b>34.2</b>	<b>127.3</b>
<b>Eliminations between E-commerce and Financial services</b>										
CDON	7.3	4.4	4.2	6.1	22.0	8.5	5.7	4.6	5.4	24.2
Nelly <sup>1</sup>	5.5	3.4	4.9	3.5	17.3	4.7	3.4	3.5	2.8	14.4
Gymgrossisten	1.1	1.1	1.0	1.1	4.3	1.1	1.1	0.8	0.1	3.1
Lekmer	2.5	1.2	1.1	1.1	5.9	2.1	0.9	1.0	1.2	5.2
Group central operations <sup>1</sup>	-	-1.3	0.7	0.6	-	0.8	0.7	0.6	0.7	2.8
Qliro Financial Services	0.8	1.5	1.4	1.3	4.9	1.9	1.3	1.2	1.3	5.7
<b>Total</b>	<b>17.2</b>	<b>10.3</b>	<b>13.2</b>	<b>13.7</b>	<b>54.4</b>	<b>19.1</b>	<b>13.1</b>	<b>11.8</b>	<b>11.4</b>	<b>55.4</b>

<sup>1</sup> 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).

OPERATING PROFIT BY SEGMENT (SEK million)	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 Full year	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2015 Full year
CDON	16.7	-17.0	-11.6	-25.4	-37.3	15.2	-9.7	-5.8	-0.6	-0.9
Nelly <sup>1</sup>	30.4	-3.1	10.6	-7.7	30.1	-4.1	-9.4	3.2	-9.2	-19.4
Gymgrossisten	5.8	12.4	12.9	16.3	47.5	10.0	8.0	10.6	19.0	47.6
Lekmer	-26.2	-22.9	-13.3	-19.4	-81.9	-41.5	-12.9	-2.8	-20.4	-77.7
Group central operations <sup>1</sup>	-14.2	-23.6	-8.8	-9.9	-56.6	-10.0	-9.9	-8.9	-9.0	-37.9
<b>Total E-commerce</b>	<b>12.4</b>	<b>-54.1</b>	<b>-10.3</b>	<b>-46.1</b>	<b>-98.2</b>	<b>-30.3</b>	<b>-34.0</b>	<b>-3.8</b>	<b>-20.2</b>	<b>-88.3</b>
Qliro Financial Services	14.8	1.9	-2.4	-3.7	10.7	1.1	-6.2	-10.2	-13.1	-28.3
Group Adjustment <sup>2</sup>	-1.6	0.4	0.9	1.3	0.9	-2.8	-1.0	-1.4	-1.9	-7.2
<b>Total Financial services</b>	<b>13.2</b>	<b>2.3</b>	<b>-1.5</b>	<b>-2.4</b>	<b>11.6</b>	<b>-1.7</b>	<b>-7.2</b>	<b>-11.6</b>	<b>-15.0</b>	<b>-35.5</b>
<b>CONSOLIDATED TOTAL</b>	<b>25.6</b>	<b>-51.9</b>	<b>-11.8</b>	<b>-48.5</b>	<b>-86.6</b>	<b>-32.0</b>	<b>-41.2</b>	<b>-15.4</b>	<b>-35.2</b>	<b>-123.8</b>

INVENTORIES BY SEGMENT (SEK million)	2016 31-Dec	2016 30-Sep	2016 30-Jun	2016 31-Mar	2015 31-Dec	2015 30-Sep	2015 30-Jun	2015 31-Mar
CDON	186.1	140.2	163.4	186.8	236.2	192.2	164.2	170.3
Nelly <sup>1</sup>	159.8	232.7	191.0	244.5	189.5	258.3	205.0	252.3
Gymgrossisten	107.1	89.3	84.9	92.3	112.2	78.6	81.4	80.4
Lekmer	94.9	107.7	61.0	74.6	84.0	79.2	57.8	59.5
Group central operations <sup>1</sup>	-	-	-	-	0.3	0.2	0.2	0.1
Tretti <sup>3</sup>	-	-	80.6	85.3	79.8	82.4	77.1	74.5
<b>Total E-commerce</b>	<b>547.9</b>	<b>569.9</b>	<b>581.1</b>	<b>683.5</b>	<b>702.0</b>	<b>691.0</b>	<b>585.6</b>	<b>637.1</b>
<b>CONSOLIDATED TOTAL for continued operations</b>	<b>547.9</b>	<b>569.9</b>	<b>500.6</b>	<b>598.2</b>	<b>622.2</b>	<b>608.6</b>	<b>508.5</b>	<b>562.6</b>

<sup>1</sup> 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).

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

<sup>3</sup> Divested operation



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)				
	2016 Oct-Dec	2015 Oct-Dec	2016 Jan-Dec	2015 Jan-Dec
Net Sales	4.6	4.7	17.5	19.9
<b>Gross profit</b>	<b>4.6</b>	<b>4.7</b>	<b>17.5</b>	<b>19.9</b>
Administration expenses	-18.9	-14.9	-65.2	-61.0
<b>Operating profit or loss</b>	<b>-14.2</b>	<b>-10.2</b>	<b>-47.7</b>	<b>-41.1</b>
Profit or loss from shares in subsidiaries <sup>1</sup>	-	-25.8	-102.9	-25.8
Net interest & other financial items	3.7	7.1	-2.3	17.5
<b>Profit or loss after financial items</b>	<b>-10.5</b>	<b>-28.9</b>	<b>-152.9</b>	<b>-49.4</b>
Group contribution received	-	41.9	-	41.9
Group contribution paid	-45.6	-154.1	-45.6	-154.1
<b>Profit or loss before tax</b>	<b>-56.1</b>	<b>-141.1</b>	<b>-198.5</b>	<b>-161.6</b>
Tax	12.2	25.2	20.9	29.7
<b>Net income or Net loss for the period</b>	<b>-44.0</b>	<b>-115.9</b>	<b>-177.7</b>	<b>-131.9</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)				
<b>Profit or loss for period</b>	<b>-44.0</b>	<b>-115.9</b>	<b>-177.7</b>	<b>-131.9</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for period</b>	<b>-44.0</b>	<b>-115.9</b>	<b>-177.7</b>	<b>-131.9</b>

<sup>1</sup> Loss from sale of shares in Tretti AB

PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2016 31-Dec	2015 31-Dec
<b>Non-current assets</b>		
Other intangible assets	-	1.6
Equipment	1.6	2.5
Shares and participating interests in group companies	808.9	863.0
Deferred tax asset	114.2	93.3
<b>Total non-current assets</b>	<b>924.7</b>	<b>960.4</b>
<b>Current assets</b>		
Current interest-bearing receivables	0.1	-
Current non-interest-bearing receivables	6.4	6.8
Receivables from Group companies	56.7	343.0
<b>Total current receivables</b>	<b>63.1</b>	<b>349.8</b>
Cash and bank	422.6	280.6
<b>Total cash and cash equivalents</b>	<b>422.6</b>	<b>280.6</b>
<b>Total current assets</b>	<b>485.7</b>	<b>630.3</b>
<b>Total assets</b>	<b>1,410.4</b>	<b>1,590.8</b>
<b>Equity</b>		
Restricted equity	301.7	301.7
Unrestricted equity	709.9	885.2
<b>Total equity</b>	<b>1,011.6</b>	<b>1,186.9</b>
<b>Provisions</b>		
Other provisions	0.7	0.9
<b>Total provisions</b>	<b>0.7</b>	<b>0.9</b>
<b>Current liabilities</b>		
Short term interest bearing loans	57.0	90.0
Liabilities to Group companies	323.7	297.1
Non-interest-bearing liabilities	17.4	16.0
<b>Total current liabilities</b>	<b>398.1</b>	<b>403.0</b>
<b>Total liabilities</b>	<b>398.8</b>	<b>403.9</b>
<b>Total equity and liabilities</b>	<b>1,410.4</b>	<b>1,590.8</b>

KEY RATIOS	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 Full year	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2015 Full year
<b>E-COMMERCE</b>										
Sales growth (%)	0.2	-5.4	0.5	-3.7	-1.8	1.0	-4.5	3.2	4.0	0.9
Change in operating expenses (%)	9.3	9.0	8.7	2.9	7.5	9.1	18.2	-8.1	16.4	8.3
Operating margin (%)	0.8	-6.2	-1.0	-4.7	-2.3	-2.1	-3.7	-0.4	-2.0	-2.0
Gross profit margin (%)	16.6	14.3	16.1	14.3	15.5	12.3	14.2	16.7	14.3	14.1
Earnings before interest, , taxes, depreciation, amortization and impairment, Ebitda (SEK million)	30.7	-28.4	0.8	-35.2	-32.1	-20.8	-26.1	3.1	-13.4	-57.1
Earnings before interest, , taxes, depreciation, amortization and impairment margin, Ebitda-margin (%)	2.1	-3.3	0.1	-3.6	-0.7	-1.4	-2.8	0.3	-1.3	-1.3
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 (%)	52.0	61.3	58.8	59.7	52.0	52.2	59.7	62.9	62.9	52.2
Net debt (SEK million)	-435.2	-180.9	-147.8	-138.7	-435.2	-324.2	-249.1	-271.6	-287.3	-324.2
Cash flows from operations (SEK million)	315.5	-74.8	49.1	-244.4	45.4	152.6	-50.6	49.4	-230.5	-79.0
Depreciation/Net sales (%)	1.2	3.0	1.1	1.1	1.5	0.6	0.9	0.7	0.7	0.7
Capital Expenditure/Net sales (%)	0.9	0.8	1.0	0.7	0.9	1.4	2.1	2.2	1.8	1.8
<b>FINANCIAL SERVICES</b>										
Sales growth (%)	90.0	132.0	126.0	152.9	119.3	997.7	28,367.4	n/a	n/a	2,904.7
Change in operating expenses (%)	79.0	91.5	85.9	71.8	82.0	492.7	356.1	369.1	334.0	388.0
Earnings before taxes, Ebt (SEK million) <sup>4</sup>	9.5	0.4	-3.2	-3.6	3.2	-2.6	-7.6	-11.8	-15.2	-37.3
Earnings before taxes margin, Ebt-margin (%) <sup>4</sup>	14.5	0.7	-6.6	-8.7	1.5	-7.6	-30.0	-55.9	-93.1	-38.2
Return on equity (%)	0.3	11.9	11.6	7.4	0.3	neg	390.0	656.9	1,734.4	neg
Equity/assets ratio (%)	34.5	35.8	29.8	36.7	34.5	7.3	-5.0	-4.2	-1.5	7.3
Net debt (SEK million)	513.2	390.2	408.6	330.7	513.2	328.0	174.7	34.5	0.0	328.0
Cash flows from operations including financing (SEK million)	-30.5	-55.1	1.8	41.8	-42.0	-23.8	79.6	-53.1	3.8	6.4
Depreciation/Net sales (%)	6.4	7.6	6.3	6.5	6.7	7.2	6.9	8.5	9.2	7.7
Capital Expenditure/Net sales (%)	26.5	28.8	24.1	25.4	26.4	30.3	33.0	32.6	32.9	32.0
<b>GROUP</b>										
Sales growth (%)	2.4	-1.4	3.1	-1.5	0.9	2.4	-3.0	4.3	4.6	2.1
Change in operating expenses (%)	14.6	15.3	6.7	15.3	13.1	17.5	26.7	6.9	15.1	16.1
Operating margin (%)	1.7	-5.7	-1.2	-4.8	-1.9	-2.2	-4.4	-1.6	-3.4	-2.8
Gross profit margin (%)	18.7	16.8	18.0	15.4	17.4	12.8	14.5	16.7	13.9	14.3
Earnings before interest, , taxes, depreciation, amortization and impairment, Ebitda (SEK million)	48.0	-21.6	2.3	-34.9	-6.2	-20.1	-31.5	-6.7	-26.9	-85.1
Earnings before interest, , taxes, depreciation, amortization and impairment margin, Ebitda-margin (%)	3.2	-2.4	0.2	-3.5	-0.1	-1.3	-3.4	-0.7	-2.6	-1.9
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 (%)	40.5	48.5	46.9	50.3	40.5	45.4	54.1	61.0	62.0	45.4
Net debt (SEK million)	78.1	209.4	260.8	191.9	78.1	3.8	-74.4	-237.1	-287.3	3.8
Cash flows from operations (SEK million)	163.0	-109.1	-25.0	-204.3	-175.4	-26.8	-111.3	-38.2	-226.7	-402.9
Earnings per share (SEK) <sup>1</sup>	0.13	-0.30	-0.08	-0.26	-0.51	-0.20	-0.21	-0.07	-0.20	-0.69
Equity per share (SEK) <sup>2</sup>	6.88	6.73	7.03	7.82	6.88	8.07	8.31	8.52	8.60	8.07
Depreciation/Net sales (%)	1.5	3.3	1.4	1.3	1.8	0.8	1.0	0.9	0.8	0.9
Capital Expenditure/Net sales (%)	2.1	2.6	2.1	1.8	2.1	1.9	3.1	3.0	2.1	2.4

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

KEY RATIOS CONTINUED	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2016 Full year	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2015 Full year
No. of active customers (thousand)	3,910	3,845	3,858	3,914	3,910	3,957	3,985	4,020	3,980	3,957
No. of visits (thousand)	79,068	50,551	56,297	60,082	245,997	81,396	57,690	64,544	68,864	272,494
No. of orders (thousand)	2,774	1,628	1,878	1,862	8,143	2,723	1,699	1,882	1,963	8,265
Average shopping basket (SEK)	643	654	637	616	638	625	631	628	595	620
<b>CDON</b>										
No. of active customers (thousand)	1,707	1,699	1,710	1,705	1,707	1,729	1,723	1,732	1,739	1,729
No. of visits (thousand)	31,181	17,289	16,110	20,459	85,039	31,236	18,830	16,613	20,087	86,767
No. of orders (thousand)	1,249	671	664	790	3,374	1,285	726	652	836	3,500
Average shopping basket (SEK)	637	613	620	573	614	616	594	583	552	590
<b>Lekmer</b>										
No. of active customers (thousand)	446	415	410	411	446	414	438	435	420	414
No. of visits (thousand)	11,049	6,257	5,895	6,390	29,591	10,513	6,331	5,869	6,136	28,849
No. of orders (thousand)	390	148	155	161	854	366	166	170	157	859
Average shopping basket (SEK)	591	622	633	585	603	556	546	587	622	572
<b>Nelly</b>										
No. of active customers (thousand)	1,162	1,157	1,178	1,237	1,162	1,243	1,261	1,288	1,271	1,243
No. of visits (thousand)	30,911	21,695	28,607	26,515	107,728	34,067	27,186	35,999	36,131	133,383
No. of orders (thousand)	837	527	770	601	2,735	804	545	779	638	2,766
Average shopping basket (SEK)	662	696	634	631	654	627	646	636	567	620
<b>Gymgrossisten</b>										
No. of active customers (thousand) <sup>3</sup>	596	574	560	561	596	570	563	565	550	570
No. of visits (thousand)	5,926	5,310	5,685	6,718	23,639	5,580	5,343	6,062	6,509	23,495
No. of orders (thousand)	298	282	289	310	1,180	268	261	280	331	1,140
Average shopping basket (SEK)	682	691	688	711	693	753	760	738	747	749

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

<sup>1</sup> Earnings per share for the periods Jan-Dec 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-Dec 2016 is 149,269,779 and for the full year 2015 the weighted average number of shares amounted to 149,269,779.

<sup>2</sup> Calculated on present number of shares, which per Dec 2016 amounts to 149,269,779.

<sup>3</sup> Historical numbers adjusted due to updated methodology for calculation of active customers.

<sup>4</sup> Earnings before taxes (Ebt) is modified by Group adjustments between Qliro Financial Services and internal clients, related to differences in phasing of costs / revenues.

#### Definitions

Sales growth	The amount by which the average number of sales volume has changed during the period.
Change in operating expenses	The amount by which the operating expenses has changed during the period.
Operating margin	Operating profit as percentage of net sales.
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.
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.
Ebtlda	Earnings before taxes excluding depreciation, amortization and impairment of intangible and tangible fixed assets.
Adjusted Ebtlda	Ebtlda 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

## NON-GAAP FINANCIAL MEASURES

Some of the key ratios stated in this report are such that are not defined in accordance with generally accepted accounting principles (GAAP), for example IFRS. We regard the following, known as alternative performance measures, to be of use to investors as they form the basis of assessments of the company's operative development, together with the comparable GAAP key ratios. Alternative performance measures should not be viewed in isolation from, or as a replacement for, financial information presented in accordance with generally accepted accounting principles. Alternative performance measures reported by us do not need to be comparable with similarly named measures 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, amortization and impairment 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, amortization and impairment of tangible and intangible assets

Ebitda (Q4 2016) (SEK million)	CDON	Nelly	Gymgrossisten	Lekmer	Central Operations	E-commerce	Financial Services	Group
Ebit, continued operations	16.7	30.4	5.8	-26.2	-14.2	12.4	13.2	25.6
Items affecting comparability	-	-	-	-	-	-	-	-
Adjusted Ebit, continued operations	16.7	30.4	5.8	-26.2	-14.2	12.4	13.2	25.6
Depreciation, amortization and impairment, continued operations	-6.8	-4.4	-0.8	-1.5	-4.7	-18.3	-4.2	-22.5
Ebitda, continued operations	23.5	34.7	6.7	-24.7	-9.5	30.7	17.4	48.0
Items affecting comparability	-	-	-	-	-	-	-	-
Adjusted Ebitda, continued operations	23.5	34.7	6.7	-24.7	-9.5	30.7	17.4	48.0

Ebitda (Full year 2016) (SEK million)	CDON	Nelly	Gymgrossisten	Lekmer	Central Operations	E-commerce	Financial Services	Group
Ebit, continued operations	-37.3	30.1	47.5	-81.9	-56.6	-98.2	11.6	-86.6
Items affecting comparability	22.3	4.2	-	-	8.9	35.4	-	35.4
Adjusted Ebit, continued operations	-15.0	34.3	47.5	-81.9	-47.7	-62.8	11.6	-51.2
Depreciation, amortization and impairment, continued operations	-27.2	-16.9	-3.3	-3.3	-15.3	-66.0	-14.4	-80.4
Ebitda, continued operations	-10.1	47.1	50.7	-78.6	-41.3	-32.1	26.0	-6.2
Items affecting comparability	15.3	-	-	-	8.9	24.2	-	24.2
Adjusted Ebitda, continued operations	5.2	47.1	50.7	-78.6	-32.4	-7.9	26.0	18.1

### Ebt da och Ebt

Ebt da and Ebt are measures that Qliro Group regard as relevant for Financial services (the segment Qliro Financial Services). Mainly because financial items can be seen as an operational expenses for the area Financial Services. Qliro Group defines Ebt da as Ebit da as Earnings before taxes excluding year-end appropriations, depreciation and impairment. Ebt is defined as Earnings before taxes excluding year-end appropriations.

Ebt da och Ebt (SEK million)	2015 Oct-Dec	2016 Oct-Dec	2015 Jan-Dec	2016 Jan-Dec
Earnings before taxes, group perspective (Ebt)	-2.6	9.5	-37.3	3.2
Group Adjustments <sup>1</sup>	2.8	1.6	7.2	-0.9
Earnings before taxes, legal perspective (Ebt) <sup>2</sup>	0.2	11.2	-30.1	2.3
Depreciation and impairment	-2.5	-4.2	-7.5	-14.4
Earnings before taxes, depreciation and impairment (Ebt da)	-0.1	13.7	-29.7	17.5
Earnings before taxes, depreciation and impairment (Ebt da) <sup>2</sup>	2.7	15.4	-22.6	16.6

<sup>1</sup> Group Adjustments between Qliro Financial Services and internal clients, related to differences in phasing of costs/revenues

<sup>2</sup> Earnings before taxes (Ebt) from the segment Qliro Financial Services' perspective as shown in the segment section for Qliro Financial Services, i.e. excluding Group Adjustments presented in <sup>1</sup> above

**Note 1**

Disclosures in accordance with IAS 34.16A can be found on the pages prior to the statement of income and other comprehensive income