

ELLOS GROUP

Ellos Group AB (publ) group

INTERIM REPORT JANUARY - DECEMBER 2022

”Continued high sales of over SEK 1 billion in the quarter despite global uncertainties”

THE FOURTH QUARTER 2022

- Net sales decreased by 1.9 % to SEK 1 038.9 (1 059.3) million. Organically, net sales was unchanged.
- The gross margin decreased to 49.1 (50.6) %.
- Adjusted EBITA* amounted to SEK 26.5 (38.9) million. The adjusted EBITA margin* stood at 2.5 (3.7) %.
- The operating profit/loss* amounted to SEK -11.6 (10.4) million. The operating margin* was -1.1 (1.0) %.
- Cash flow from operating activities amounted to SEK 68.6 (43.5) million.
- Cash and cash equivalents amounted to SEK 157.5 (196.3) million.

FULL YEAR 2022

- Net sales increased by 0.6 % to SEK 3 611.7 (3 589.1) million. Organically, net sales was unchanged.
- The gross margin decreased to 50.3 (51.4) %.
- Adjusted EBITA* amounted to SEK 80.1 (161.4) million. The adjusted EBITA margin* stood at 2.2 (4.5) %.
- The operating profit/loss* amounted to SEK -40.3 (43.6) million. The operating margin* was -1.1 (1.2) %.
- Cash flow from operating activities amounted to SEK -18.9 (-16.3) million.
- Cash and cash equivalents amounted to SEK 157.5 (196.3) million.

FINANCIALS KPI'S

AMOUNT IN MSEK	3 MONTHS OCT- DEC 2022	3 MONTHS OCT - DEC 2021	CHANGE	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021	CHANGE
Net sales	1 038.9	1 059.3	-1.9%	3 611.7	3 589.1	0.6%
Organic growth, net sales %	0.0	6.7		0.0	14.4	
Gross margin, %	49.1	50.6		50.3	51.4	
Adjusted EBITA	26.5	38.9	-31.9%	80.1	161.4	-50.4%
Adjusted EBITA- margin, %	2.5	3.7		2.2	4.5	
Operating profit/loss	-11.6	10.4	>-100%	-40.3	43.6	>-100%
Operating margin, %	-1.1	1.0		-1.1	1.2	
Profit/loss for the period	-134.4	-57.4	>-100%	-304.5	-148.2	>-100%
Cash-flow from operations	68.6	43.5	57.7%	-18.9	-16.3	-16.0%



*Not defined according to IFRS. See page 17.

COMMENT FROM THE CEO OF ELLOS GROUP AB (PUBL)

CONTINUED HIGH SALES OF OVER SEK 1 BILLION IN THE QUARTER DESPITE GLOBAL UNCERTAINTIES

Ellos Group delivered once again sales of over SEK 1.0 billion in the year's important final quarter. Organic sales were unchanged from comparative quarter 2021, which broke records as the first quarter we achieved this high sales level.

At the same time, the period was characterised by the great uncertainties that prevailed throughout 2022 due to Russia's invasion of Ukraine and the subsequent energy crisis, rising inflation, a tough economic situation and declining customer demand. Ellos Group's success in maintaining high sales performance is a sign of strength in the face of a challenging situation.

Our sales for full-year 2022 were SEK 3.6 billion. We faced tough comparative figures during the year, so it is gratifying that sales are at the same high levels as during the Covid-19 pandemic. This is acknowledgement that our offer and the investments we made during the year are the right ones.

Our assessment is that we will continue to take market share in the Nordics and Europe. We have garnered success in Europe through the expansion of Jotex, particularly in Germany, and through Ellos Group's other collaborations and marketplaces.

We took several steps during the quarter to further improve our fashion and home furnishings offer, including launches of a party collection with influencer Emilie Tømmerberg and a holiday decoration campaign with influencer Emily Slotte. Moving forward, to continue to grow the business profitably, Ellos Group will direct even greater focus and effort to our core customer group.

The quarter's gross margin decreased 1.7 percentage points to 48.4 per cent due to a higher campaign pressure, driven by the ambition to improve the inventory position in combination with a weaker market.

As we entered 2022 one of our focus areas was to improve our cost efficiency, particularly with respect to marketing costs. I can confirm that we had a positive performance during the year across our entire business, which is why sales costs are down 0.1 percentage points in relation to net sales, in spite of a significant increase in distribution costs due to cost inflation. Our cost focus will remain a priority in 2023.

Inventories decreased SEK 86m (11 per cent) during the quarter and SEK 39m (5 per cent) as compared with Q4 2021, contributing to an improved, positive cash flow from operating activities for the quarter. We consider a well-balanced inventory position to be a strength as we move into 2023.

During 2022 we sharpened our strategy to increase focus and efforts on our offer to our core customers – women in mid-life. This strategy is now being implemented across the entire business to create better conditions and increased competitiveness for us as a company. In challenging times, having attractive, sustainable and affordable offers becomes even more important.

We are closely following the global challenges that are continuing into 2023, and we are focused on monitoring developments. In our view, the structural effect of the increasing numbers of people shopping online rather than in physical shops will continue. As a leading e-commerce player with strong home furnishing and fashion brands, we look positively to the future.

Hans Ohlsson, CEO





FOURTH QUARTER 2022

SALES

Net sales for the period amounted to SEK 1 038.9 (1 059.3) million which is a decrease of 1.9 % compared to last year. The organic growth, i.e. excluding exchange rate changes and dispose of operations (Stayhard) were unchanged.

GROSS PROFIT

Gross profit for the period amounted to SEK 510.2 (535.7) million which is a decrease of 25.5 million compared to last year. The quarter's gross margin amounted to 49.1% (50.6%) and was mainly affected by increased discounts due to a slower market and the plan to reduce the inventory position.

OPERATING COSTS

Selling expenses amounted to SEK 397.2 (413.8) million which is a decrease of SEK 16.6 million compared to last year. In relation to net sales, selling expenses decreased by 0.8 percentage point. This improvement was due to reduced marketing costs, despite an increase in distribution costs. Selling expenses also include amortization of acquisition-related intangible assets of SEK 23.6 (24.8) million.

Administrative expenses, which in the quarter amounted to SEK 135.7 (115.1) million increased by SEK 20.6 million mainly due to restructuring costs and incentive programs (see non-recurring items) but also due to increased consulting costs.

Other income amounted to SEK 7.5 (9.0) million and other costs to SEK 3.6 (-5.4) million. The improvement compared to previous year is FX related.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 26.5 (38.9) million which means a decrease of SEK 12.4 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 12.0 (35.2) million which is a decrease of SEK 23.2 million compared with the same period last year.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 4.3 (1.4) million and financial expenses amounted to SEK -103.0 (-61.1) million. The increase in financial expenses are primarily explained by revaluation of current liabilities to Group companies where the exchange rate difference had a negative impact of SEK 52.8 million.

Income tax for the period amounted to SEK -24.1 (-8.1) million.

NET PROFIT

Net profit for the period amounted to SEK -134.4 (-57.4) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 68.6 (43.5) million. The cash flow includes bond loan interest expenses amounting to SEK 31.6 (25.6) million. The cash flow has also been negatively affected by SEK 20.5 million from the payment of tax regarding the reassessment of the tax year 2020 which was carried out during the quarter.

Inventories decreased during the quarter by SEK -86.0 (-4.7) million, which had a positive effect on cash flow.

Accounts payable increased during the quarter by SEK 19.9 (52.1) million and has had a positive effect on cash flow.

Cash flow from investments totalled SEK -9.9 (-17.9) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK -56.9 (-9.0) million and mainly referred to changes in the group's revolving credit and lease liability.

Cash and cash equivalents amounted to SEK 157.5 (196.3) million.

Cash flow for the period totalled SEK 1.8 (16.6) million.



FULL YEAR 2022

SALES

Net sales for the period amounted to SEK 3 611.7 (3 589.1) million which is an increase of 0.6 % compared to last year. The organic growth, i.e. excluding exchange rate changes and dispose of operations (Stayhard) were unchanged.

GROSS PROFIT

Gross profit for the period amounted to SEK 1 818.4 (1 843.5) million which is a decrease of 25.1 million compared to last year. The gross margin decreased by 1.1 percentage points compared with the same period last year and amounted to 50.3 (51.4) percent. Increased discounts and storage costs have affected the gross margin negatively.

OPERATING COSTS

Selling expenses amounted to SEK 1 411.2 (1 406.6) million which is an increase of SEK 4.6 million compared to last year. In relation to net sales, selling expenses decrease by 0.1 percentage points. This reduction is due to a improved marketing efficiency that more than compensates for increased distribution costs as a result of the high inflation. Selling expenses also include amortization of acquisition-related intangible assets of SEK 94.6 (96.5) million.

Administrative expenses, which amounted to SEK 439.0 (417.0) million increased by SEK 22.0 million.

Other income amounted to SEK 23.7 (36.1) million and other costs to SEK -32.2 (-12.4) million. FX-related exchange rate gains and losses amounts to -17.4 MSEK compared to 0.4 MSEK the previous year. Other costs also include disposal of intangible assets related to Stayhard.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 80.1 (161.4) million which means a decrease of SEK 81.3 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 54.3 (140.1) million which is a decrease of SEK 85.8 million compared with the same period last year.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 17.4 (7.9) million and financial expenses amounted to SEK -259.9 (-185.0) million. The financial expenses include a revaluation to the exchange rate on the balance sheet date of the current liabilities to Group companies which has resulted in a exchange rate loss of SEK 52.8 million.

Income tax for the period amounted to SEK -21.7 (-14.7) million.

NET PROFIT

Net profit for the period amounted to SEK -304.5 (-148.2) million.

CASH FLOW

Cash flow from operating activities amounted to SEK -18.9 (-16.3) million. The cash flow includes bond loan interest expenses amounting to SEK 108.9 (102.4) million. The cash flow in 2022 included a fee of SEK 15.0 million which was issued to the bondholders as a result of the change in ownership that occurred for the group in the second quarter 2022. The cash flow has also been negatively affected by SEK 20.5 million from the payment of tax regarding the reassessment of the tax year 2020 which was carried out during the year.

Inventories decreased during the year by SEK -38.7 (209.8) million, which had a positive effect on cash flow.

Accounts payable decreased during the year by SEK -79.7 (132.5) million and has had a negative effect on cash flow.

Cash flow from investments totalled SEK -38.3 (-58.1) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK 18.4 (-50.1) million and mainly referred to changes in the group's revolving credit facility, SEK 89.5 million, lease liabilities, SEK -59.8 million and the group's repurchase of warrants, SEK -14.6 million.

Cash and cash equivalents amounted to SEK 157.5 (196.3) million.

Cash flow for the period totalled SEK -38.8 (-124.5) million.



SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

On 21 October, it was informed that Ellos Group AB (publ) received approval from the investors in the bond to make one adjustment in the group's legal holding structure. Ellos Group Nordic AB has received the shares in Ellos Group Holding AB as an unconditional shareholder contribution.

In the income tax return for the year 2020, Ellos AB made a deduction for costs relating to a collaboration with the former owner FNG in Belgium, SEK 158.7 million. The deduction and a comment on this were reported in the tax return. In a reassessment decision on 19 October, the Swedish Tax Agency announced that Ellos AB was denied deductions for these costs and the company was taxed with SEK 20.5 million and a tax surcharge of SEK 14.5 million. The company has appealed the Tax Agency's decision. The tax has been paid pending a decision regarding the appeal, while the company has been granted a respite to pay the tax surcharge.

EVENTS AFTER CLOSING DATE

At an extraordinary general meeting on January 1, 2023 it was decided on a new Board of Directors in Ellos Group AB (publ). The new Board members, with the exception of Terese Ahrens, have until today been on the Board of Directors of Ellos Group's two subsidiaries, Ellos Group Holding AB (publ) and Ellos Group Nordic AB (publ). The new Board of Directors replaces Robert Furuholm (former Chairman of the Board), Olof Faxander (former Board member) and Morten Faye Eriksen (former Board member). The changes are due to certain intra-group restructurings to facilitate governance of the group.

The Board of Directors of Ellos Group AB (publ) consists of:

- Arthur Engel (Chairman of the board)
- Robert Furuholm (Board member)
- Patrik Illerstig (Board member)
- Kristina Schauman (Board member)
- Hans Lindau (Employee representative)
- Åsa Tobrant (Employee representative)
- Terese Ahrens (Deputy Board member)
- Karin Berg (Deputy Board member, Employee representative)
- Satu Tervo (Deputy Board member, Employee representative)

NUMBER OF EMPLOYEES

As at 31 December 2022, the group had 602 (604) employees.

RISKS AND UNCERTAINTIES

The Group is exposed to several risks, for example in areas such as currency, interest rate and financing as well as competition, the economy and IT security, and these risks can affect operations and earnings. The risks that have been identified are described in the Group's annual report for 2021 on pages 10-11 and 37-39.

It should be noted, however, that there is a great deal of uncertainty in the global market in a number of areas, such as prices and supply of raw materials, production- and transport capacity.

PLEDGED ASSETS

The group's assets pledged as collateral for financing from Swedbank AB (publ) and the issued bond are unchanged compared with 31 December 2021 and is described in the Group's annual report for 2021 on page 61.

The shares in the subsidiary Ellos Group Nordic AB have been pledged, in favor of the Group's bond loans and other credit facilities, similar to the shares in other companies within the Group.

CONTINGENT LIABILITIES

The Group has received a decision following an ongoing tax audit in the subsidiary Ellos Finland OY. The remark refers to whether VAT is to be levied in the company's financial operations and refers to the years 2018 and 2019. This decision has been appealed, and the Group believes that there are good opportunities for a positive outcome. Further information can be found in the Group's annual report for 2021 on page 61.

PARENT COMPANY

The Parent Company's operating profit/loss for the fourth quarter amounted to SEK 0.0 (-1.3) million. The Parent Company's income consists of intra-group services and the main costs was consultant costs. Net financial income/expense amounted to SEK -97.2 (-52.7) million for the fourth quarter and primarily comprised interest on issued bonds, interest and the exchange rate loss that occurred during recalculation of current liabilities to group companies, SEK 52.8 million.



Distrubution of net sales

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2022	OCT - DEC 2021		JAN - DEC 2022	JAN - DEC 2021	
Revenue from agreements with customers	957.9	974.9	-1.7%	3 291.9	3 267.2	0.8%
Additional purchase price Resurs Bank	80.9	84.5	-4.2%	319.8	321.9	-0.6%
Net sales	1 038.9	1 059.3	-1.9%	3 611.7	3 589.1	0.6%

Net sales, components

Amount in MSEK	3 MONTHS		3 MONTHS		12 MONTHS		12 MONTHS	
	OCT - DEC 2022	CHANGE	OCT - DEC 2021	CHANGE	JAN - DEC 2022	CHANGE	JAN - DEC 2021	CHANGE
Organic growth	-0.2	0.0%	63.1	6.7%	1.4	0.0%	436.7	14.4%
Currency effects	22.8	2.2%	5.6	0.6%	69.2	1.9%	-15.9	-0.6%
Dispose of operations	-43.0	-4.1%	-2.6	-0.7%	-48.0	-1.4%	-6.5	-0.7%
Change in net sales	-20.4	-1.9%	66.1	6.6%	22.6	0.6%	414.3	13.0%

Net sales per country where the customer is located

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2022	OCT - DEC 2021		JAN - DEC 2022	JAN - DEC 2021	
Sweden	559.8	584.3	-4.2%	1 918.0	1 957.6	-2.0%
Norway	183.1	183.3	-0.1%	648.9	622.8	4.2%
Finland	148.8	152.6	-2.5%	537.1	544.5	-1.4%
Denmark	74.5	75.2	-1.0%	262.7	277.1	-5.2%
Germany	41.0	34.9	17.5%	126.8	102.9	23.3%
Other Europe	31.7	29.0	9.1%	118.2	84.1	40.5%
Net sales	1 038.9	1 059.3	-1.9%	3 611.7	3 589.1	0.6%

Other income

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2022	OCT - DEC 2021		JAN - DEC 2022	JAN - DEC 2021	
Rental income	1.1	1.3	-11.1%	4.7	4.7	-0.1%
Royalties	3.3	4.9	-31.7%	12.3	16.5	-25.5%
Exchange gain	2.8	1.3	>100%	4.4	11.1	-60.8%
Other	0.3	1.5	-79.7%	2.3	3.8	-39.4%
Other income	7.5	9.0	-16.4%	23.7	36.1	-34.5%

Other costs

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2022	OCT - DEC 2021		JAN - DEC 2022	JAN - DEC 2021	
Loss on consignment sales	0.0	0.0	0.0%	-1.4	0.0	>-100%
Sale/disposal of fixed assets	-1.3	-0.8	-68.5%	-9.0	-1.7	>-100%
Exchange loss	4.9	-4.6	>100%	-21.8	-10.7	>-100%
Other costs	3.6	-5.4	>100%	-32.2	-12.4	>-100%

Consolidated income statement

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT - DEC 2021	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021
Net sales	1 038.9	1 059.3	3 611.7	3 589.1
Cost of goods sold	-528.7	-523.6	-1 793.3	-1 745.6
Gross profit	510.2	535.7	1 818.4	1 843.5
Selling expenses	-397.2	-413.8	-1 411.2	-1 406.6
Administrative expenses	-135.7	-115.1	-439.0	-417.0
Other income	7.5	9.0	23.7	36.1
Other costs	3.6	-5.4	-32.2	-12.4
Operating profit/loss	-11.6	10.4	-40.3	43.6
Financial items				
Financial income	4.3	1.4	17.4	7.9
Financial costs	-103.0	-61.1	-259.9	-185.0
Financial items	-98.7	-59.7	-242.5	-177.1
Profit/loss before tax	-110.3	-49.3	-282.8	-133.5
Income tax	-24.1	-8.1	-21.7	-14.7
Profit/loss for the period	-134.4	-57.4	-304.5	-148.2
Attributable to:				
Parent company's shareholders	-134.4	-57.4	-304.5	-148.2

Consolidated statement of comprehensive income

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT - DEC 2021	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021
Profit/loss for the period	-134.4	-57.4	-304.5	-148.2
Items not to be returned to the income statement:				
Actuarial gains/losses	20.3	-12.7	49.3	1.4
Tax effect	-4.2	2.6	-10.2	-0.3
Items not to be returned to the income statement	16.1	-10.1	39.2	1.1
Items that can later be reversed to the income statement:				
Translation differences for the period	-3.1	-23.9	-0.2	-22.5
Cash-flow hedges change in value	-171.6	12.2	37.6	55.9
Cash-flow hedges returned to the income statement	76.9	-15.0	-75.9	-0.8
Tax effect	19.5	0.6	7.9	-11.4
Items that can later be reversed to the income statement	-78.3	-26.2	-30.7	21.3
Comprehensive income	-196.6	-93.7	-296.0	-125.8
Attributable to parent company's shareholders	-196.6	-93.7	-296.0	-125.8

Consolidated statement of financial position

Amount in MSEK	2022-12-31	2021-12-31
ASSETS		
<i>Non-current assets</i>		
Goodwill	677.0	677.0
Trademarks	445.3	445.3
Customer relationships	370.4	465.0
Development expenditure	94.5	104.2
Right-of-use assets	495.8	491.0
Equipment, tools, fixtures and fittings	53.9	57.2
Investments in leased property	68.4	72.7
Constuction in progress within property, plant and equipment	3.1	0.1
Non-current receivables	6.7	6.4
Deferred tax assets	27.6	29.8
Total non-current assets	2 242.7	2 348.7
<i>Current asset</i>		
Inventories	699.9	738.6
Return assets	16.3	12.6
Accrued income	33.3	32.9
Trade receivables	62.5	44.0
Current receivables from group companies	0.0	12.8
Current tax assets	53.0	83.9
Derivate instruments	35.5	44.5
Other current receivables	15.3	47.9
Prepaid expenses	36.4	32.3
Cash & cash equivalents	157.5	196.3
Total current assets	1 109.7	1 245.8
TOTAL ASSETS	3 352.4	3 594.5



Consolidated statement of financial position

Amount in MSEK	2022-12-31	2021-12-31
EQUITY AND LIABILITIES		
<i>Equity attributable to parent company's shareholders</i>		
Share capital	0.5	0.5
Additional paid-in capital	683.2	679.9
Reserves	-41.4	-10.8
Retained earnings including the profit/loss for the year	-994.8	-729.4
Total Equity	-352.5	-59.8
<i>Non-current liabilities</i>		
Bond issue	1 479.9	1 467.2
Long-term lease liabilities	431.8	432.2
Other long-term liabilities	0.0	42.6
Deferred tax liabilities	170.7	195.7
Provision for endowment insurance, pensions	8.6	0.0
Provision for pensions	113.3	163.0
Total non-current liabilities	2 204.3	2 300.7
<i>Current liabilities</i>		
Interest-bearing liabilities	89.5	0.0
Current lease liabilities	68.7	60.9
Trade payables	341.3	421.0
Current liabilities to Group companies	539.7	0.1
Current tax liabilities	31.2	49.0
Other provisions	6.1	446.2
Derivatives	48.0	23.6
Other current liabilities	125.3	114.4
Repayment liability	32.2	27.2
Accrued expenses	218.7	211.2
Total Current liabilities	1 500.6	1 353.6
Total liabilities	3 704.9	3 654.3
TOTAL EQUITY AND LIABILITIES	3 352.4	3 594.5

Consolidated statement of changes in equity

Amount in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit of the year	Total Equity
Opening balance as at 1 January 2022	0.5	679.9	-10.2	-0.6	-729.4	-59.8
Comprehensive income						
Profit/loss for the period					-304.5	-304.5
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				37.6		37.6
Transferred to the income statement				-75.9		-75.9
Translation differences			-0.2			-0.2
Actuarial gains/losses					49.3	49.3
Tax attributable to items in other comprehensive income				7.9	-10.2	-2.3
Other comprehensive income, after tax	0.0	0.0	-0.2	-30.4	39.2	8.5
Comprehensive income	0.0	0.0	-0.2	-30.4	-265.4	-296.0
Transactions with shareholders:						
Contribution received in connection with drawing of options		3.3				3.3
Dividends					0.0	0.0
Transactions with shareholders	0.0	3.3	0.0	0.0	0.0	3.3
Balance at 31 December 2022	0.5	683.2	-10.4	-31.0	-994.8	-352.5

Consolidated statement of changes in equity

Amount in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit of the year	Total Equity
Opening balance as at 1 January 2021	0.5	679.9	12.3	-44.3	-585.7	62.6
Comprehensive income						
Profit/loss for the period					-148.2	-148.2
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				55.9		55.9
Transferred to the income statement				-0.8		-0.8
Translation differences			-22.5			-22.5
Actuarial gains/losses					1.4	1.4
Tax attributable to items in other comprehensive income				-11.4	-0.3	-11.6
Other comprehensive income, after tax	0.0	0.0	-22.5	43.8	1.1	22.4
Comprehensive income	0.0	0.0	-22.5	43.8	-147.1	-125.8
Transactions with shareholders:						
Contribution received in connection with acquisition of subsidiary					3.4	3.4
Dividends					0.0	0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	3.4	3.4
Balance at 31 December 2021	0.5	679.9	-10.2	-0.6	-729.4	-59.8

Consolidated cash flow statement

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT - DEC 2021	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021
<i>Cash flow from operating activities</i>				
Cash-flow from operations before changes in working capital	16.6	47.3	-15.0	82.8
Cash-flow from changes in working capital	52.0	-3.8	-3.9	-99.1
Cash-flow from operations	68.6	43.5	-18.9	-16.3
<i>Investments</i>				
Acquisition of subsidiaries	0.0	-0.5	0.0	-0.5
Acquisition of intangible fixed assets	-6.1	-7.1	-25.5	-18.6
Acquisition of tangible fixed assets	-4.3	-8.8	-12.5	-36.0
Acquisition of financial fixed assets	0.5	-1.5	-0.3	-3.0
Cash-flow from investments	-9.9	-17.9	-38.3	-58.1
<i>Financing activities</i>				
Payment for warrants	3.3	3.4	3.3	3.4
Payment of warrants	0.0	0.0	-14.6	0.0
Payment of lease liabilities	-15.0	-12.4	-59.8	-53.5
Change of revolving credit	-45.1	0.0	89.5	0.0
Cash-flow from financing activities	-56.9	-9.0	18.4	-50.1
Cash-flow for the period	1.8	16.6	-38.8	-124.5
Cash and cash equivalents at beginning of period	155.7	179.7	196.3	320.7
Exchange rate difference in liquid assets	0.0	0.0	0.0	0.1
Cash and cash equivalents at end of period	157.5	196.3	157.5	196.3



Parent company income statement

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT - DEC 2021	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021
Net sales	2.5	-1.3	5.4	13.2
Gross profit	2.5	-1.3	5.4	13.2
Administrative expenses	-2.6	0.0	-5.9	-13.9
Operating profit	0.0	-1.3	-0.4	-0.7
Financial items				
Interest income	2.0	-10.2	15.5	12.9
Interest costs	-99.2	-42.4	-235.9	-161.6
Financial items	-97.2	-52.7	-220.4	-148.7
Profit/loss after financial costs	-97.2	-54.0	-220.8	-149.5
Year-end appropriations				
Received Group contribution	4.7	2.1	4.7	2.1
Profit/loss before tax	-92.6	-51.9	-216.1	-147.4
Income tax	11.5	-4.7	7.4	-0.5
Profit/loss for the period	-81.1	-56.6	-208.7	-147.9

Parent company statement of comprehensive income

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT - DEC 2021	12 MONTHS JAN - DEC 2022	12 MONTHS JAN - DEC 2021
Profit/loss for the period	-81.1	-56.6	-208.7	-147.9
Comprehensive income	-81.1	-56.6	-208.7	-147.9



Parent company's balance sheet

Amount in MSEK	2022-12-31	2021-12-31
ASSETS		
<i>Fixed assets</i>		
Shares in subsidiaries	2 369.9	2 369.8
Deferred tax assets	7.4	0.0
Total Fixed assets	2 377.3	2 369.8
<i>Current assets</i>		
Receivables from group companies	166.2	272.8
Tax assets	0.3	0.1
Other current assets	0.1	0.0
Prepayments and accrued income	1.1	0.5
Cash and bank	6.6	3.2
Total Current assets	174.3	276.5
TOTAL ASSETS	2 551.6	2 646.3
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	0.5	0.5
<i>Non-restricted equity</i>		
Non-restricted equity	469.9	675.2
Total Equity	470.4	675.7
<i>Long-term liabilities</i>		
Bond issue	1 479.9	1 467.1
Long-term liabilities	0.0	34.7
Total Long-term liabilities	1 479.9	1 501.8
<i>Current liabilities</i>		
Accounts payable	0.4	0.9
Liabilities to group companies	575.1	1.9
Other provisions	0.0	446.2
Other current liabilities	0.0	0.3
Accrued expenses and prepaid income	25.8	19.5
Total Current liabilities	601.3	468.8
TOTAL EQUITY AND LIABILITIES	2 551.6	2 646.3

Financial KPI's

Amount in MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS JUL - SEP 2022	3 MONTHS APR - JUN 2022	3 MONTHS JAN - MAR 2022	3 MONTHS OCT - DEC 2021	3 MONTHS JUL - SEP 2021	3 MONTHS APR - JUN 2021	3 MONTHS JAN - MAR 2021	3 MONTHS OCT - DEC 2020	3 MONTHS JUL - SEP 2020	3 MONTHS APR - JUN 2020	3 MONTHS JAN - MAR 2020
Net sales	1 038.9	858.9	854.6	859.3	1 059.3	846.6	852.9	830.3	993.3	778.0	763.1	640.5
Gross profit	510.2	428.2	438.6	441.3	535.7	426.1	460.1	421.7	517.9	252.5	417.7	314.3
Gross margin. %	49.1	49.9	51.3	51.4	50.6	50.3	53.9	50.8	52.1	32.5	54.7	49.1
Adjusted gross profit	510.2	428.2	438.6	441.3	535.7	426.1	460.0	421.7	517.9	411.1	417.7	314.3
Adjusted gross margin. %	49.1	49.9	51.3	51.4	50.6	50.3	53.9	50.8	52.1	52.8	54.7	49.1
EBITA	12.0	19.9	22.0	0.4	35.2	30.5	42.9	31.4	-302.0	-74.6	129.6	-0.8
Adjusted EBITA	26.5	30.3	8.4	15.0	38.9	36.4	54.6	31.4	99.4	85.0	104.8	0.9
Adjusted EBITA-margin. %	2.5	3.5	1.0	1.7	3.7	4.3	6.4	3.8	10.0	10.9	13.7	0.1
EBITDA	39.2	47.0	48.9	27.2	60.1	54.6	66.6	54.8	-279.6	-51.3	152.8	21.7
Adjusted EBITDA	53.6	57.3	35.4	41.8	63.7	60.6	78.3	54.8	121.8	108.3	128.0	23.4
Operating profit/loss	-11.6	-3.7	-1.7	-23.2	10.4	6.6	19.0	7.5	-325.9	-98.5	105.7	-24.7
Operating margin. %	-1.1	-0.4	-0.2	-2.7	1.0	0.8	2.2	0.9	-32.8	-12.7	13.9	-3.9
Financial items	-98.7	-44.4	-56.6	-42.8	-59.7	-22.2	-50.1	-45.1	-35.7	-41.9	-40.5	-36.6
Profit/loss before tax	-110.3	-48.1	-58.3	-66.1	-49.3	-15.7	-31.0	-37.5	-361.6	-140.4	65.2	-61.3
Profit/loss for the period	-134.4	-47.5	-61.6	-61.0	-57.4	-18.4	-34.0	-38.3	-334.1	-150.7	41.0	-49.9
Cash-flow from operations	68.6	-0.5	16.8	-103.9	43.5	7.1	19.7	-86.5	89.4	79.1	13.6	-50.6
Cash-flow for the period	1.8	-1.0	-1.4	-38.2	16.6	-18.6	-7.4	-115.1	60.0	61.4	-31.6	-41.1
Balance sheet total at the end of the period	3 352.4	3 584.2	3 621.5	3 614.4	3 594.5	3 667.9	3 555.4	3 543.6	3 632.2	3 605.2	3 645.1	3 736.6
Cash and cash equivalents at end of period	157.5	155.7	156.7	158.1	196.3	179.7	198.3	205.6	320.7	263.4	202.7	240.3
Inventories at the end of the period	699.9	785.9	792.2	769.9	738.6	743.3	624.0	585.3	528.9	536.2	470.4	525.4
Equity at the end of the period	-352.5	-159.3	-124.5	-145.5	-59.8	30.5	27.6	54.8	62.6	437.3	588.8	558.1
Net debt	1 411.8	1 455.6	1 415.7	1 405.4	1 270.9	1 284.3	1 262.6	1 252.0	1 133.8	1 187.9	1 245.6	1 236.1
Number of employees at the end of the period	602	592	602	612	604	585	581	556	551	522	521	530

NOTES TO THE FINANCIAL STATEMENTS

Note 1 General information

Ellos Group AB (publ). corporate identity number 559175-1325 is a limited company registered in Sweden with registered office in Stockholm. The Company's address is PO Box 961. 501 10 Borås.

Ellos Group AB is a subsidiary of Cidron e-Com S.à r.l., B164334. 8 rue Lou Hemmer L-1748 Senningerberg, Luxemburg.

Unless otherwise stated, all amounts are shown in SEK millions.

Note 2 Significant accounting policies

General information

The consolidated financial statements for Ellos Group AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and issued by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC). Furthermore, the group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation. RFR 1 Supplementary Accounting Rules for groups. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Applied accounting principles in the interim report are consistent with the accounting principles that were applied in the preparation of the consolidated and annual report 2021.

New and changed amendments together with new interpretations which come into effect on 1 January 2022 are not expected to have a significant impact on the group's financial statements.

Accounting principles for the parent company

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Application of RFR 2 means the Parent Company must, as far as possible, apply all IFRS adopted by the EU within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act. and consider the relationship between accounting and taxation.

Note 3 Significant estimates and judgements

The preparation of an interim report requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and reported amounts for assets, liabilities, income and expenses. Actual outcome may deviate from these estimates and judgments.

Important estimates and assessments made by the company management appear from the annual report for 2021 on pages 35-36.

Note 4 Transactions with related parties

During the quarter, warrants valued at a fair value, based on a black & scholes valuation, of SEK 61/warrant were awarded to senior executives and others key persons. The allocation is associated with earnings conditions which means that the right to obtain the option requires that the employee remains in employment for 42 months to get maximum allocation. Earnings will be annual.

The provision of SEK 446.2 million (EUR 44.5 million) including interest for a settlement that was previously reported is now reported, after the change of ownership in the group, as a current liability to group companies 539.7 MSEK (48.5 MEUR).

Transactions, for the parent company and the group, with related parties is otherwise of the same nature as described in the annual report for 2021 for FNG Nordic AB.

Note 5 Fair value financial instruments

The group's financial instruments measured at fair value as at 31 December 2022 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 35.5 (44.5) million and derivative contracts with negative values amounted to SEK 48.0 (23.6) million. Derivatives transactions are accounted for at gross value.

Financial assets and financial liabilities valued at fair value in the balance sheet (derivatives) are categorized according to the three-level fair value hierarchy in IFRS 13 (Level 1, 2 or 3). Measurement of all currency derivatives is categorized in Level 2. Currency futures are valued based on observable information regarding the currency rates and market interest rates as at the rates and market interest rates as at the balance sheet date for the remaining term.

RECONCILIATION OF KPI'S THAT ARE NOT DEFINED ACCORDING TO IFRS

Some of the financial performance measures in this report which are used by management and analysts to assess the group's performance are not defined in IFRS. Below is a reconciliation of the alternative key indicators with the nearest reconcilable item. Management believes that these financial performance measures facilitate analysis and evaluation of this report and provide valuable information to increase the ability to make comparisons between periods. This information should be regarded as complementing, rather than replacing, financial reporting according to IFRS. FNG Nordic group's definitions of these financial performance measures may differ from other companies' definitions of the same terms.

	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Gross profit, MSEK				
Net sales	1 038.9	1 059.3	3 611.7	3 589.1
Cost of goods sold	-528.7	-523.6	-1 793.3	-1 745.6
Gross profit	510.2	535.7	1 818.4	1 843.5

Gross profit shows the difference between net sales less and cost of goods sold. Gross profit depends among the others on price development, costs development and product mix.

	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Gross Margin, %				
Gross profit, in MSEK	510.2	535.7	1 818.4	1 843.5
Net sales, in MSEK	1 038.9	1 059.3	3 611.7	3 589.1
Gross margin	49.1	50.6	50.3	51.4

Gross margin shows the difference between net sales less and cost of goods sold in percentage to net sales. Gross margin depends among the others on price development, costs development and product mix.

	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
EBITA, MSEK				
Operating profit/loss	-11.6	10.4	-40.3	43.6
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	24.8	94.6	96.5
EBITA	12.0	35.2	54.3	140.1

EBITA shows the operating profit/loss before amortization of intangible assets caused by acquisition-related activities.

	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
ADJUSTED EBITA, MSEK				
Operating profit/loss	-11.6	10.4	-40.3	43.6
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	24.8	94.6	96.5
Non-recurring items				
Restructuring costs	5.2	0.0	15.5	0.0
Strategic costs	0.0	3.6	1.1	31.6
Repayment FORA	0.0	0.0	0.0	-10.4
Incentive program	9.2	0.0	9.2	0.0
Adjusted EBITA	26.5	38.9	80.1	161.4

Adjusted EBITA shows the operating profit/loss before amortization, of acquisition-related intangible assets adjusted for nonrecurring items. Non-recurring items: refer to the items that are not occur yearly and are separated from usual business.

ADJUSTED EBITA marginal, %	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Net sales, in MSEK	1 038.9	1 059.3	3 611.7	3 589.1
Adjusted EBITA, in MSEK	26.5	38.9	80.1	161.4
Adjusted EBITA- margin	2.5	3.7	2.2	4.5

Adjusted EBITA-margin shows the relationship between adjusted EBITA and net sales.

ADJUSTED EBITDA, MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Operating profit/loss	-11.6	10.4	-40.3	43.6
Amortization, depreciation and impairment	50.8	49.7	202.5	192.7
EBITDA	39.2	60.1	162.2	236.2
Non-recurring items				
Restructuring costs	5.2	0.0	15.5	0.0
Strategic costs	0.0	3.6	1.1	31.6
Repayment FORA	0.0	0.0	0.0	-10.4
Incentive program	9.2	0.0	9.2	0.0
Adjusted EBITDA	53.6	63.7	188.0	257.5

Adjusted EBITDA shows the operating profit/loss before amortization, depreciation, and impairment adjusted for non-recurring items. Non-recurring items: refer to the items that are not occur yearly and are separated from usual business.

OPERATING PROFIT/LOSS, MSEK	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Profit/loss before tax	-110.3	-49.3	-282.8	-133.5
Financial items	-98.7	-59.7	-242.5	-177.1
Operating profit/loss	-11.6	10.4	-40.3	43.6

Operating profit/loss shows the result for the operating activities, and this is an important KPI that Ellos Group follows

OPERATING MARGIN, %	3 MONTHS OCT - DEC 2022	3 MONTHS OCT- DEC 2021	12 MONTHS JAN - DEC 2022	12MONTHS JAN - DEC 2021
Operating profit/loss, in MSEK	-11.6	10.4	-40.3	43.6
Net sales, in MSEK	1 038.9	1 059.3	3 611.7	3 589.1
Operating margin	-1.1	1.0	-1.1	1.2

Operating margin shows the operating profitability through the relationship of operating profit/loss to net sales.

NET DEBT, MSEK	2022-12-31	2021-12-31
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 479.9	1 467.2
Interest-bearing liabilities, short-term	89.5	0.0
Cash and cash equivalents	-157.5	-196.3
Net debt	1 411.8	1 270.9

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities, lease liabilities and liabilities to group companies.

DEFINITIONS/GLOSSARY

Number of employees: Number of employees, expressed as full-time equivalents, at the end of the year.

Gross margin (%): Gross profit as a percentage of net sales.

Gross profit: Net sales less cost of goods sold. *

EBITDA: Operating profit/loss before depreciation/amortization and impairment.

Financial items: Financial items is the net amount of financial income and financial expense.

Adjusted gross margin (%): Adjusted gross profit as a percentage of net sales.

Adjusted gross profit: Net sales less costs of goods sold and non-recurring items.

Adjusted EBITA: Operating profit/loss before amortization of acquisition-related intangible assets and non-recurring items.

Adjusted EBITA margin: Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA: Operating profit/loss before amortization/depreciation and impairment and nonrecurring items.

Non-recurring items: Items that are not occur yearly and are separated from usual business.

Net sales: Sales of goods and services, expressed in Swedish kronor, after deduction of VAT, discounts and estimated number of returns, plus handling fees. *

Net debt/net asset: Interest-bearing liabilities (excluding pension liabilities, lease liabilities and liabilities to group companies) less cash and cashequivalents and interest-bearing assets at the end of the period.

Organic growth, net sales: Increase or decrease in net sales in comparable currencies compared to the comparison period adjusted for acquired or disposed operations.

Operating profit/loss: Profit/loss before net financial income/expense and tax.

Operating margin: Operating profit/loss as a percentage of net sales.

* Definition according to IFRS



ASSURANCE OM TRUE AND FAIR VIEW

This Interim Report has not been reviewed by the Company's auditors.

The Board of Directors hereby confirms that the Interim Report gives a true and fair view of the activities, financial position and financial performance of the Parent Company and of the group, and that it describes the material risks and uncertainties facing the Parent Company and the companies included in the group.

Borås 23 February 2023

The Board of Directors

FUTURE REPORTINGS AND EVENTS

Annual report 2023	5 April 2023
Interim report first quarter 2023	11 May 2023
Annual general meeting	17 May 2023

The interim report will be published and available at Ellos Groups website, www.ellosgroup.com. 23 February 2023.

FOR FURTHER INFORMATION

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This is information that Ellos Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CEST on February 23. 2023

ABOUT ELLOS GROUP

The Ellos Group, which includes Ellos, Jotex and Homeroom, is the Nordic region's leading ecommerce group. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. The Ellos Group, headquartered in Borås, Sweden, and with operations in all Nordic countries and in selected markets in Europe.

www.ellosgroup.com

