

Press release, Borås, 8 May 2024

ELLOS GROUP AB (PUBL) INTERIM REPORT JANUARY - MARCH 2024

The interim report for Ellos Group AB (publ) is published today.

THE FIRST QUARTER 2024

- Net sales decreased by 5.7 % to SEK 770,0 (816.4) million. Organically, net sales decreased by 5.3 %.
- The gross margin increased to 40.6 (39.5) %.
- Adjusted EBITA increased to SEK 20.2 (6.8) million. The adjusted EBITA margin increased to 2.6 (0.8) %.
- The operating profit/loss increased to SEK -3.4 (-16.8) million. The operating margin increased to -0.4 (-2.1) %.
- Cash flow from operating activities amounted to SEK -252.3 (-48.8) million.
- Adjusted cash flow from operating activities amounted to SEK -108.0 (-48.8) million
- Inventories amounted to SEK 651.0 (676.8) million.

Comment from the CEO of Ellos Group AB (publ)

ELLOS GROUP STARTS OFF 2024 WITH STRONG EARNINGS IMPROVEMENT

Ellos Group delivers another quarter with improved earnings and continues to demonstrate a stable financial development. Adjusted EBITA amounted to SEK 20.2 million, a year-on-year improvement of almost 200 per cent, and corresponding to a margin of 2.6 per cent. As in 2023, the focus in 2024 will be on sharpening our customer offer while working to improve efficiency and costs.

The quarter presented a challenging market environment. Consumer purchasing power remained subdued, particularly in home furnishing, and an unusually cold spring impacted demand for more seasonal clothing. The Easter holiday, which fell early this year, had a somewhat dampening effect during the first quarter, and we expect this to have a more positive impact during Q2.

In the context of this development, Ellos Group's Home Furnishing and Fashion offers stand strong, and our assessment is that we are defending and continuing to gain market share. Our total sales during the first quarter decreased 5 per cent. However, we see positive indications in April for the spring and summer season, with preliminary figures for April showing sales growth of approximately 3 per cent.

Our strategy of focusing on our core customers guides us in everything we do. At the beginning of

the year we advanced our positions in several areas to further improve our customer offer. We introduced the new Ellos Studio initiative, offering sport- and leisurewear in the 'Women's Sport' segment. Ellos launched several successful campaigns in collaboration with Pernilla Wahlgren, with a focus on fashion and home furnishings. We also intensified our focus on underwear, swimwear and beauty.

Within Home Furnishings, we have focused on developing attractive entry-level products. Both Ellos and Jotex have developed offers focused on design and quality that give customers hard-to-beat value for money in the lower price ranges. Jotex Tailormade was launched early in the year, and we have progressively increased the exposure of this offer with customised curtains for our customers in the Nordics and Northern Europe. Ellos, Jotex and Homeroom continue to promote 'Kitchen & Coffee', our offer focusing on kitchen, tableware, food and party experiences.

The first quarter earnings improvement was achieved due to a higher gross margin, lower marketing costs and lower operating costs. Efficiency improvements and a focus on costs are top priorities in all of our markets, and this work will continue unabated in 2024.

ELLOS GROUP

Inventories totalled SEK 651 million at the close of the quarter, as compared with SEK 677 million in 2023 and SEK 770 million two years ago. We are thus maintaining a well-balanced inventory position, providing us with favourable conditions for our spring and summer collections once the weather changes.

We have laid a solid foundation for 2024, with a popular offer and a broad-based business model based on our fully integrated online platform. We intend to continue as we have been by continuously improving our offer to our core customers in parallel with maintaining focus on increasing efficiency, reducing costs and improving cash flow.

In April we saw positive signs of a moderate recovery in demand which, in combination with potential future relief in the form of interest rate cuts, makes us cautiously optimistic. At the same time,

we are closely following market developments, not least given the prevailing geopolitical turmoil.

In closing, I would like to thank all of our fantastic Ellos Group customers and colleagues, not least our bondholders for their continued support. We maintain an ongoing dialogue with various stakeholders to ensure our long-term financing. A strategic review is underway in order to create the best possible conditions and capital structure to enable the company to take the next step in its development.

As a leading Nordic shopping destination for home furnishings and fashion, we at Ellos Group are well positioned to continue our positive and profitable journey.

Hans Ohlsson, CEO

For more information:
Johan Stigson, CFO, Telephone. +46 (0)33 16 08 05.

This information is information that Ellos Group AB (publ) is legally obliged to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. Through the agency of the contact persons shown above, the information was released for publication on 8 May 2024 08.30 CET.

ABOUT ELLOS GROUP

The Ellos Group, which includes the online stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading shopping destination for fashion and home furnishings in the Nordic region. Working closely with our millions of customers, we offer attractive and sustainable products for the woman in mid-life, her family and home. We continuously develop our business through innovation, creativity, and sustainability, and always focusing on the customer. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries and selected European markets, has around 550 employees and sales of around SEK 3.4 billion.

www.ellosgroup.com