

Press release, Borås, 23 August 2024

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

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

THE SECOND QUARTER 2024

- Net sales decreased by 1.9 % to SEK 786,8 (802.1) million. Organically, net sales decreased by 1.9 %.
- The gross margin decreased to 41.3 (42.6) %. The adjusted gross margin increased to 50.3 (42.6) %.
- Adjusted EBITA increased to SEK 50.3 (41.3) million. The adjusted EBITA margin increased to 6.4 (5.2) %.
- The operating profit/loss decreased to SEK -5.2 (13.8) million. The operating margin decreased to -0.7 (1.7) %.
- Cash flow from operating activities amounted to SEK -1.3 (27.2) million
- Adjusted cash flow from operating activities amounted to SEK 25.1 (27.2) million.
- Inventories amounted to SEK 671.7 (699.1) million.

SIX MONTHS 2024

- Net sales decreased by 3.8 % to SEK 1 556,8 (1 618.5) million. Organically, net sales decreased by 3.6 %.
- The gross margin amounted to 41.0 (41.0) %. The adjusted gross margin increased to 42.1 (41.0) %.
- Adjusted EBITA increased to SEK 70.5 (48.1) million. The adjusted EBITA margin increased to 4.5 (3.0) %.
- The operating profit/loss decreased to SEK -8.7 (-3.0) million. The operating margin decreased to -0.6 (-0.2) %.
- Cash flow from operating activities amounted to SEK -253.6 (-21.6) million.
- Adjusted cash flow from operating activities amounted to SEK -82.9 (-21.6) million.
- Inventories amounted to SEK 671.7 (699.1) million.

Comment from the CEO of Ellos Group AB (publ)

ELLOS GROUP CONTINUES TO DELIVER EARNINGS IMPROVEMENT IN A CHALLENGING MARKET

Ellos Group delivers another quarter with improved earnings and continues to demonstrate stable financial development. Adjusted EBITA increased SEK 50.3 million, an improvement of 21.8 per cent as compared with Q2 2023. Adjusted EBITA amounted to SEK 70.5 million for the first six months of 2024, a year-on-year improvement of 46.6 per cent. This indicates that our long-term focus on sharpening our customer offer while working to improve efficiency and costs is producing results.

The market remained challenging during the quarter, with subdued consumer purchasing power particularly in home furnishings. After a long, cold spring, this trend shifted somewhat during the second quarter, with greater customer activity - especially in fashion - and signs of recovery in home furnishings.

Our assessment is that we are defending and continuing to gain market share overall. Sales during the quarter decreased -1.9 per cent, as compared with a -3.8 decrease in sales during the first six months of the year.

Our strategy of focusing on our core customers guides us in everything we do, and we are receiving positive feedback from our customers across the entire customer offer - from campaigns to customer service and distribution. We advanced our positions during the quarter in several segments, including sport- and leisurewear, underwear, beauty, and our new 'Kitchen & Coffee' initiative – our new offer focused on kitchen, tableware, and food and party experiences.

Ellos launched a highly successful summer collection with Linda- Marie Assergård, which sold out at record speed. We are also continuing to launch our popular campaigns in collaboration with

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Pernilla Wahlgren, focused on fashion and home furnishings in social media.

We have also made strides in Home Furnishings, with both Ellos and Jotex focusing on offers with high-quality design that give customers unbeatable value for money. During the quarter Jotex launched a design award that recognises new designers who have made a difference in their industry. Jotex also launched a rug collection along with prominent Swedish fashion designers, including Lars Wallin and Ida Sjöstedt, who were given free rein to design magnificent individual rugs.

We have also continued to develop our payment solution offer with Elpy. During the summer we launched an updated Interest-free Split Pay product with a 12-month payment plan to complement the 6-month plan already offered to our customers.

Our inventory position is well balanced from a long-term perspective, although our cash flow was impacted somewhat during the quarter due to a slight increase in inventory. Our work with cash flow has produced a clear improvement as compared with Q1 2024, and remains a focus area.

During the quarter we announced that Ellos Group has entered into a standstill agreement with our major bondholders, which provides key conditions for continued dialogue. We see good opportunities to agree during the month of August on a new long-term financing solution that can support our continued positive development.

For the remainder of 2024 we intend to follow our established strategy and continue as we have been by constantly improving our offer to our core customers in parallel with maintaining focus on increasing efficiency, reducing costs and improving cash flow.

While we remain cautiously optimistic about the market's development, we are closely following the continued subdued purchasing power among consumers and the geopolitical unrest in the world. Based on Ellos Group's highly valued offer and broad-based business model, I very much look forward to continuing our positive, profitable journey as a leading Nordic shopping destination for home furnishings and fashion.

Hans Ohlsson, CEO

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ABOUT ELLOS GROUP

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 women 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.

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