

# ELLOS GROUP

Ellos Group AB (publ) group

## INTERIM REPORT APRIL - JUNE 2024

”Ellos Group continues to deliver earnings improvement in a challenging market”

### 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.

### FINANCIALS KPI'S

AMOUNT IN MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	CHANGE	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023	CHANGE
Net sales	786.8	802.1	-1.9%	1 556.8	1 618.5	-3.8%
Organic growth, net sales %	-1.9	-2.2		-3.6	-2.6	
Gross margin, %	41.3	42.6		41.0	41.0	
Adjusted gross margin, %	43.6	42.6		42.1	41.0	
Adjusted EBITA	50.3	41.3	21.8%	70.5	48.1	46.6%
Adjusted EBITA- margin, %	6.4	5.2		4.5	3.0	
Operating profit/loss	-5.2	13.8	>-100%	-8.7	-3.0	>-100%
Operating margin, %	-0.7	1.7		-0.6	-0.2	
Profit/loss for the period	-48.5	-82.3	41.1%	-149.0	-155.0	3.9%
Cash-flow from operations	-1.3	27.2	>-100%	-253.6	-21.6	>-100%
Adjusted cash-flow from operations	25.1	27.2	-7.7%	-82.9	-21.6	>-100%



\*Not defined according to IFRS. See page 17-19.

# 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 a 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 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







## SECOND QUARTER 2024

### SALES

Net sales for the period amounted to SEK 786.8 (802.1) million which is a decrease of 1.9 % compared to last year. The organic growth, i.e. excluding exchange rate changes were -1.9 %.

### GROSS PROFIT

Gross profit for the period amounted to SEK 324.8 (341.3) million which is a decrease of 16.5 million compared to last year. The quarter's gross margin decreased to 41.3% (42.6%). Adjusted gross margin for the period increased to 43.6% (42.6%) partly due to lower distribution costs. The Norwegian custom agency has decided on increased custom costs for the years 2019-2021. Ellos Group will appeal this decision and has booked SEK 18.5 million as a probable outcome, after an appeal, for the years 2019-2023. Adjusted gross profit does not include this item. The corresponding booking has been made for 2024. For the current year, however, the cost is not handled as non-recurring.

### OPERATING COSTS

Selling expenses amounted to SEK 221.4 (215.8) million which is an increase of SEK 564 million compared to last year. In relation to net sales, selling expenses for the period increased by 1.2 percentage driven by marketing costs. The good cost development has continued in customer service and also the closure of the store in Gothenburg had a positive effect. Selling expenses include amortization of acquisition-related intangible assets of SEK 23.6 (23.6) million.

Administrative expenses, which in the quarter amounted to SEK 120.9 (115.1) million increased by SEK 5.8 million due to non-recurring items. Excluding these items administrative expenses drops by SEK 3.6 million.

Other income amounted to SEK 10.3 (4.5) million and other costs to SEK 2.0 (-1.1) million. The change compared to previous year is mainly explained by an insurance compensation.

### ADJUSTED EBITA

Adjusted EBITA amounted to SEK 50.3 (41.3) million which means a increase of SEK 9.0 million compared with the corresponding period last year.

### EBITA

EBITA amounted to SEK 18.4 (37.4) million which is a decrease of SEK 19.0 million compared with the same period last year.

### FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 2.3 (3.3) million and financial expenses amounted to SEK -64.2 (-100.3) million. The decrease of the financial income is mainly explained by currency adjustment of short-term liabilities to group companies.

Income tax for the period amounted to SEK 18.6 (0.9) million.

### NET PROFIT

Net profit for the period amounted to SEK -48.5 (-82.3) million, where the change is explained, among other things by decreased financial costs (currency adjustments).

### CASH FLOW

Cash flow from operating activities amounted to SEK -1.3 (27.2) million. Cash flow has been negatively affected by SEK 26.4 million due to that the security for the group's issued bank guarantees and FX derivatives has been increased by the corresponding amount and thus are not reported as cash & cash equivalents but as other current receivables. The cash flow includes bond loan interest expenses amounting to SEK 47.3 (36.2) million.

Inventories increased during the quarter by SEK 20.8 (22.3) million, which had a negative effect on cash flow. The inventory thus amounts to SEK 671.7 million, which can be compared with SEK 699.1 million one year ago and SEK 792.2 million two years ago.

Accounts payable increased during the quarter by SEK 32.8 (23.1) million and has had a positive effect on cash flow.

Cash flow from investments totalled SEK -6.0 (-8.1) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK -18.0 (-21.6) million and mainly referred to a amortization of the leasing debt.

Cash and cash equivalents amounted to SEK 76.2 (156.3) million.

Cash flow for the period totalled SEK -25.3 (-2.5) million.





## SIX MONTHS 2024

### SALES

Net sales for the period amounted to SEK 1 556.8 (1 618.5) million which is a decrease of 3.8 % compared to last year. The organic growth, i.e. excluding exchange rate changes were -3.6 %.

### GROSS PROFIT

Gross profit for the period amounted to SEK 637.6 (663.8) million which is a decrease of 26.2 million compared to last year. The gross margin amounted to 41.0% (41.0%). The adjusted gross margin increased to 42.1% (41.0%) partly due to lower distribution costs. The Norwegian custom agency has decided on increased custom costs for the years 2019-2021. Ellos Group will appeal this decision and has booked SEK 18.5 million as a probable outcome, after an appeal, for the years 2019-2023. Adjusted gross profit does not include this item. The corresponding booking has been made for 2024. For the current year, however, the cost is not handled as non-recurring.

### OPERATING COSTS

Selling expenses amounted to SEK 425.7 (445.3) million which is a decrease of SEK 19.6 million compared to last year. In relation to net sales, selling expenses decreased by 0.2 percentage point. Both marketing costs and operational costs have developed positively. Selling expenses include amortization of acquisition-related intangible assets of SEK 47.3 (47.3) million.

Administrative expenses, which amounted to SEK 233.3 (223.4) million increased by SEK 9.9 million due to non-recurring items.

Other income amounted to SEK 14.7 (10.9) million and other costs to SEK -2.0 (-9.0) million. The change compared to previous year is mainly explained by a received insurance compensation and exchange rate differences.

### ADJUSTED EBITA

Adjusted EBITA amounted to SEK 70.5 (48.1) million which means a increase of SEK 22.4 million compared with the corresponding period last year.

### EBITA

EBITA amounted to SEK 38.6 (44.3) million which is a decrease of SEK 5.7 million compared with the same period last year.

### FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 7.2 (6.6) million and financial expenses amounted to SEK -171.2 (-163.3) million. The increase of the financial income is mainly explained by costs for emission of a SEK 250 million bond and increased interest costs.

Income tax for the period amounted to SEK 23.7 (4.7) million.

### NET PROFIT

Net profit for the period amounted to SEK -149.0 (-155.0) million,.

### CASH FLOW

Cash flow from operating activities amounted to SEK -253.6 (-21.6) million. Cash flow has been negatively affected by SEK 170.7 million due to that the corresponding funds are used as security for the group's issued bank guarantees and FX derivatives and thus are not reported as cash & cash equivalents but as other current receivables. The cash flow includes bond loan interest expenses amounting to SEK 88.9 (69.0) million.

Inventories increased during the period by SEK 50.4 (-0.8) million, which had a negative effect on cash flow. The inventory thus amounts to SEK 671.7 million, which can be compared with SEK 699.1 million one year ago and SEK 792.2 million two years ago.

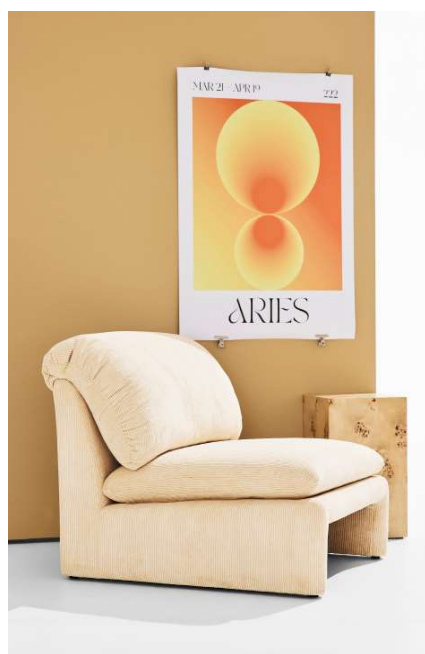
Accounts payable decreased during the period by SEK -50.9 (-55.1) million and has had a negative effect on cash flow.

Cash flow from investments totalled SEK -10.2 (-14.5) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK 188.9 (34.9) million and mainly referred to the issuance of a super senior bond of SEK 250 million.

Cash and cash equivalents amounted to SEK 76.2 (156.3) million.

Cash flow for the period totalled SEK -74.9 (-1.2) million.



## **SIGNIFICANT EVENTS DURING THE SECOND QUARTER**

The Tax Agency denied, in the tax return for the year 2020, Ellos AB deduction for costs amounting to SEK 158 million regarding a collaboration with former group companies. The case was appealed by Ellos Group and the Administrative Court announced in a judgment during April 2024 that they cancel the Tax Agency's decision and admit Ellos AB deductions for these costs. The Swedish Tax Agency has during June 2024 appealed the Administrative Court's decision to the Court of Appeal.

## **EVENTS AFTER CLOSING DATE**

During the summer of 2024 the group has issued a number of press releases regarding the refinancing of the bonds that mature in July 2024, in total SEK 1 500 million, and in February 2025, in total SEK 250 million .

A solution for refinancing has yet been decided on and the group announced on July 30 that it has entered into a standstill agreement with bondholders representing more than 50% of the outstanding amount under the existing bonds. Pursuant to the standstill agreement, the group and the bondholders have agreed that from today's date up until and including 31 August 2024, the bondholders will not instruct the agent to make any payment demands or take any enforcement actions under the existing bonds. Any interest accruing under the existing bonds shall however be paid on the relevant original interest payment dates and default interest shall accrue on all outstanding principal amounts of the existing bonds. The forbearance agreement also contains customary restrictive undertakings, applicable during the forbearance period. In addition, the group shall pay a forbearance fee equal to 1% of the principal amounts of the existing bonds. The forbearance fee shall be added as a premium to any amount repaid under the existing bonds, unless repayment is done through an enforcement process, in which case no such forbearance fee shall become payable. The standstill agreement is intended to provide a stable platform during the negotiations with the a group of bondholders and is not expected to have any impact on Ellos Group's business relationships or operations, which will continue as normal, nor will they affect any suppliers or employees.

## **NUMBER OF EMPLOYEES**

As at 30 June 2024, the group had 552 (585) 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 2023 on pages 6, 12 and 36-38.

The worldwide situation means that there is great uncertainty linked to consumer purchasing power due to the macroeconomic situation and a general concern driven by the geopolitical situation.

## **PLEDGED ASSETS**

The group has issued bonds for SEK 1 750 million. As security for these credits the group has pledged the shares in all of the group's subsidiaries and sub-subsidiaries.

There are also business mortgages in some of the group companies amounting to SEK 8 560.4 million. Furthermore, the group has pledged SEK 171.3 million cash & cash equivalents for issued bank guarantees and FX derivatives. In addition, the group has a general guarantee which amounts to SEK 1 750.0 million.

## **PARENT COMPANY**

The Parent Company's operating profit/loss for the second quarter amounted to SEK 0.1 (0.1) million. The Parent Company's income consists of intra-group services and the main costs was insurance costs, consultant costs and board fees. Net financial income/expense amounted to SEK -29.0 (-94.2) million for the second quarter and primarily comprised interest on issued bonds, interest and currency effect on current liabilities to group companies as well as costs for emission of the new super senior bond on SEK 250 million.



## Distrubution of net sales

Amount in MSEK	3 MONTHS			3 MONTHS			6 MONTHS			6 MONTHS		
	APR - JUN 2024			APR - JUN 2023		CHANGE	JAN - JUN 2024			JAN - JUN 2023		CHANGE
Revenue from agreements with customers	667.3			676.6		-1.4%	1 319.5			1 367.2		-3.5%
Invoiced fees	46.4			48.4		-4.1%	93.0			96.7		-3.8%
Royalty	2.2			2.7		-18.5%	4.1			5.1		-19.6%
Additional purchase price Resurs Bank	70.9			74.4		-4.7%	140.2			149.5		-6.2%
Net sales	786.8			802.1		-1.9%	1 556.8			1 618.5		-3.8%

## Net sales, components

Amount in MSEK	3 MONTHS			3 MONTHS			6 MONTHS			6 MONTHS		
	APR - JUN 2024		CHANGE	APR - JUN 2023		CHANGE	JAN - JUN 2024		CHANGE	JAN - JUN 2023		CHANGE
Organic growth	-15.0		-1,9%	-18.0		-2,2%	-58.1		-3,6%	-43.3		-2,6%
Currency effects	-0.3		0,0%	6.4		0,8%	-3.6		-0,2%	13.5		0,8%
Dispose of operations	0.0		0,0%	-44.8		-5,2%	0.0		0,0%	-72.7		-4,2%
Change in net sales	-15.3		-1,9%	-56.3		-6,6%	-61.7		-3,8%	-102.5		-6,0%

## Net sales per country where the customer is located

Amount in MSEK	3 MONTHS			3 MONTHS			6 MONTHS			6 MONTHS		
	APR - JUN 2024			APR - JUN 2023		CHANGE	JAN - JUN 2024			JAN - JUN 2023		CHANGE
Sweden	425.1			412.5		3.1%	838.3			847.0		-1.0%
Norway	141.6			149.9		-5.5%	275.9			284.3		-3.0%
Finland	111.9			121.1		-7.6%	224.8			240.9		-6.7%
Denmark	64.5			61.4		5.0%	126.2			124.2		1.6%
Germany	25.3			31.9		-20.7%	53.9			63.9		-15.6%
Other Europe	16.2			22.6		-28.3%	33.6			53.1		-36.7%
USA	2.2			2.7		-18.5%	4.1			5.1		-19.6%
Net sales	786.8			802.1		-1.9%	1 556.8			1 618.5		-3.8%

## Other income

Amount in MSEK	3 MONTHS			3 MONTHS			6 MONTHS			6 MONTHS		
	APR - JUN 2024			APR - JUN 2023		CHANGE	JAN - JUN 2024			JAN - JUN 2023		CHANGE
Rental income	1.3			1.3		0.0%	2.6			2.7		-3.7%
Exchange gain	0.1			1.9		-94.7%	2.7			6.3		-57.1%
Insurance compensation	5.9			0.0		>100%	5.9			0.0		>100%
Other	3.0			1.3		>100%	3.5			1.9		84.2%
Other income	10.3			4.5		>100%	14.7			10.9		34.9%

## Other costs

Amount in MSEK	3 MONTHS			3 MONTHS			6 MONTHS			6 MONTHS		
	APR - JUN 2024			APR - JUN 2023		CHANGE	JAN - JUN 2024			JAN - JUN 2023		CHANGE
Exchange loss	2.0			-1.1		>100%	-2.0			-9.0		77.8%
Other costs	2.0			-1.1		>100%	-2.0			-9.0		77.8%



## Consolidated income statement

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Net sales	786.8	802.1	1 556.8	1 618.5
Cost of goods sold	-462.0	-460.8	-919.2	-954.7
Gross profit	324.8	341.3	637.6	663.8
Selling expenses	-221.4	-215.8	-425.7	-445.3
Administrative expenses	-120.9	-115.1	-233.3	-223.4
Other income	10.3	4.5	14.7	10.9
Other costs	2.0	-1.1	-2.0	-9.0
Operating profit/loss	-5.2	13.8	-8.7	-3
<b>Financial items</b>				
Financial income	2.3	3.3	7.2	6.6
Financial costs	-64.2	-100.3	-171.2	-163.3
Financial items	-61.9	-97.0	-164.0	-156.7
Profit/loss before tax	-67.1	-83.2	-172.7	-159.7
Income tax	18.6	0.9	23.7	4.7
Profit/loss for the period	-48.5	-82.3	-149.0	-155.0
<b>Attributable to:</b>				
Parent company's shareholders	-48.5	-82.3	-149.0	-155.0

## Consolidated statement of comprehensive income

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Profit/loss for the period	-48.5	-82.3	-149	-155
<b>Items not to be returned to the income statement:</b>				
Actuarial gains/losses	-4.4	0.3	7.0	11.1
Tax effect	1.0	-0.1	-1.5	-2.3
Items not to be returned to the income statement	-3.4	0.2	5.5	8.8
<b>Items that can later be reversed to the income statement:</b>				
Translation differences for the period	-3.6	1.8	1.9	11.9
Cash-flow hedges change in value	3.3	-6.6	3.2	10.3
Cash-flow hedges returned to the income statement	16.8	-1.4	16.8	-15.2
Tax effect	-0.3	1.6	-4.1	1.0
Items that can later be reversed to the income statement	16.2	-4.6	17.8	8.0
Comprehensive income	-35.7	-86.7	-125.7	-138.2
Attributable to parent company's shareholders	-35.7	-86.7	-125.7	-138.2

## Consolidated statement of financial position

Amount in MSEK	2024-06-30	2023-06-30	2023-12-31
<b>ASSETS</b>			
<b><i>Non-current assets</i></b>			
Goodwill	677.0	677.0	677.0
Trademarks	445.3	445.3	445.3
Customer relationships	228.5	323.1	275.9
Development expenditure	79.7	90.5	87.3
Right-of-use assets	490.3	530.6	528.3
Equipment, tools, fixtures and fittings	47.8	51.1	51.3
Investments in leased property	58.2	65.9	60.5
Constuction in progress within property, plant and equipment	0.7	4.2	0.0
Non-current receivables	8.4	7.2	7.8
Deferred tax assets	19.8	33.2	16.5
<b>Total non-current assets</b>	<b>2 055.7</b>	<b>2 228.1</b>	<b>2 149.9</b>
<b><i>Current asset</i></b>			
Inventories	671.7	699.1	621.3
Return assets	12.3	11.5	12.4
Accrued income	27.8	27.7	30.4
Trade receivables	60.4	53.5	65.2
Current tax assets	59.1	61.1	50.5
Derivate instruments	16.9	31.7	25.7
Other current receivables	197.4	9.5	28.7
Prepaid expenses	36.7	54.7	35.0
Cash & cash equivalents	76.2	156.3	151.1
<b>Total current assets</b>	<b>1 158.5</b>	<b>1 105.1</b>	<b>1 020.3</b>
<b>TOTAL ASSETS</b>	<b>3 214.2</b>	<b>3 333.2</b>	<b>3 170.2</b>



# Consolidated statement of financial position

Amount in MSEK	2024-06-30	2023-06-30	2023-12-31
<b>EQUITY AND LIABILITIES</b>			
<b><i>Equity attributable to parent company's shareholders</i></b>			
Share capital	0.5	0.5	0.5
Additional paid-in capital	683.2	683.2	683.2
Reserves	13.1	-33.3	-4.8
Retained earnings including the profit/loss for the year	-1 327.3	-1 145.7	-1 183.8
<b>Total Equity</b>	<b>-630.5</b>	<b>-495.3</b>	<b>-504.9</b>
<b><i>Non-current liabilities</i></b>			
Bond issue	0.0	1 486.2	0.0
Long-term lease liabilities	426.3	468.7	463.0
Deferred tax liabilities	141.2	160.6	150.8
Provision for endowment insurance, pensions	11.0	9.3	10.1
Provision for pensions	112.3	102.6	119.2
<b>Total non-current liabilities</b>	<b>690.8</b>	<b>2 227.4</b>	<b>743.1</b>
<b><i>Current liabilities</i></b>			
Bond issue	1 748.9	0.0	1 492.6
Interest-bearing liabilities	0.0	158.3	24.7
Current lease liabilities	72.9	67.8	72.0
Trade payables	246.9	286.2	297.8
Current liabilities to Group companies	650.3	612.3	604.6
Current tax liabilities	51.8	26.0	40.7
Other provisions	2.7	4.8	1.5
Derivatives	12.1	49.4	43.9
Other current liabilities	101.6	113.7	104.8
Repayment liability	27.3	25.9	25.3
Accrued expenses	239.4	256.7	224.1
<b>Total Current liabilities</b>	<b>3 153.9</b>	<b>1 601.1</b>	<b>2 932.0</b>
<b>Total liabilities</b>	<b>3 844.7</b>	<b>3 828.5</b>	<b>3 675.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3 214.2</b>	<b>3 333.2</b>	<b>3 170.2</b>



## 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 2024	0.5	683.2	25.7	-30.5	-1 183.8	-504.9
<b>Comprehensive income</b>						
Profit/loss for the period					-149.0	-149.0
<b>Other comprehensive income:</b>						
Cash flow hedges						
Change in fair value for the year				16.8		16.8
Transferred to the income statement				3.2		3.3
Translation differences			1.9			1.9
Actuarial gains/losses					7.0	7.0
Tax attributable to items in other comprehensive income				-4.1	-1.5	-5.6
Other comprehensive income, after tax			1.9	15.9	5.5	23.4
Comprehensive income			1.9	15.9	-143.5	-125.6
<b>Transactions with shareholders:</b>						
Dividends					0.0	0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0
Balance at 30 June 2024	0.5	683.2	27.7	-14.6	-1 327.3	-630.5

## 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 2023	0.5	683.2	-10.4	-31.0	-999.5	-357.2
<b>Comprehensive income</b>						
Profit/loss for the period					-155.0	-155.0
<b>Other comprehensive income:</b>						
Cash flow hedges						
Change in fair value for the year				10.3		10.3
Transferred to the income statement				-15.2		-15.2
Translation differences			11.9			11.9
Actuarial gains/losses					11.1	11.1
Tax attributable to items in other comprehensive income				1.0	-2.3	-1.3
Other comprehensive income, after tax	0.0	0.0	11.9	-3.8	8.8	16.9
Comprehensive income	0.0	0.0	11.9	-3.8	-146.2	-138.1
<b>Transactions with shareholders:</b>						
Dividends					0.0	0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0
Balance at 30 June 2023	0.5	683.2	1.5	-34.8	-1 145.6	-495.3

## Consolidated cash flow statement

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>Cash flow from operating activities</b>				
Cash-flow from operations before changes in working capital	8.3	10.3	-5.0	-2.1
Cash-flow from changes in working capital	-9.6	16.9	-248.6	-19.5
<b>Cash-flow from operations</b>	<b>-1.3</b>	<b>27.2</b>	<b>-253.6</b>	<b>-21.6</b>
<b>Investments</b>				
Acquisition of intangible fixed assets	-4.6	-6.9	-7.7	-10.5
Acquisition of tangible fixed assets	-1.1	-1.0	-1.9	-3.6
Acquisition of financial fixed assets	-0.3	-0.2	-0.6	-0.4
<b>Cash-flow from investments</b>	<b>-6.0</b>	<b>-8.1</b>	<b>-10.2</b>	<b>-14.5</b>
<b>Financing activities</b>				
Borrowings	0.0	0.0	250.0	0.0
Payment of lease liabilities	-18.0	-17.0	-36.3	-33.8
Change of revolving credit	0.0	-4.6	-24.8	68.7
<b>Cash-flow from financing activities</b>	<b>-18.0</b>	<b>-21.6</b>	<b>188.9</b>	<b>34.9</b>
<b>Cash-flow for the period</b>	<b>-25.3</b>	<b>-2.5</b>	<b>-74.9</b>	<b>-1.2</b>
Cash and cash equivalents at beginning of period	101.5	158.8	151.1	157.5
Exchange rate difference in liquid assets	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at end of period</b>	<b>76.2</b>	<b>156.3</b>	<b>76.2</b>	<b>156.3</b>



## Parent company income statement

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Net sales	1.7	1.4	3.5	3.0
Gross profit	1.7	1.4	3.5	3.0
Administrative expenses	-1.6	-1.3	-3.4	-2.9
Operating profit	0.1	0.1	0.1	0.1
<b>Financial items</b>				
Interest income	6.3	2.5	15.7	4.6
Interest costs	-56.4	-96.7	-158.3	-154.8
Financial items	-50.1	-94.2	-142.6	-150.2
Profit/loss after financial costs	-50.0	-94.1	-142.5	-150.1
Profit/loss before tax	-50.0	-94.1	-142.5	-150.1
Income tax	-2.0	5.4	2.7	7.0
Profit/loss for the period	-52.0	-88.7	-139.8	-143.1

## Parent company statement of comprehensive income

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Profit/loss for the period	-52.0	-88.7	-139.8	-143.1
Comprehensive income	-52.0	-88.7	-139.8	-143.1





## Parent company's balance sheet

Amount in MSEK	2024-06-30	2023-06-30	2023-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
Shares in subsidiaries	2 371.9	2 370.6	2 371.2
Deferred tax assets	2.8	14.4	0.0
<b>Total Fixed assets</b>	<b>2 374.7</b>	<b>2 385.0</b>	<b>2 371.2</b>
<b>Current assets</b>			
Receivables from group companies	459.5	165.7	377.3
Tax assets	0.0	0.4	0.0
Other current assets	74.2	0.1	0.2
Prepayments and accrued income	3.2	2.2	1.4
Cash and bank	6.2	4.8	0.5
<b>Total Current assets</b>	<b>543.1</b>	<b>173.2</b>	<b>379.4</b>
<b>TOTAL ASSETS</b>	<b>2 917.8</b>	<b>2 558.2</b>	<b>2 750.6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	0.5	0.5	0.5
<b>Non-restricted equity</b>			
Non-restricted equity	475.7	327.5	614.8
<b>Total Equity</b>	<b>476.2</b>	<b>328.0</b>	<b>615.3</b>
<b>Long-term liabilities</b>			
Bond issue	0.0	1 486.2	0.0
<b>Total Long-term liabilities</b>	<b>0.0</b>	<b>1 486.2</b>	<b>0.0</b>
<b>Current liabilities</b>			
Bond issue	1 748.9	0.0	1 492.6
Accounts payable	1.9	1.6	0.2
Liabilities to group companies	650.3	713.5	604.6
Tax liabilities	6.4	0.0	6.5
Other current liabilities	0.7	0.1	0.1
Accrued expenses and prepaid income	33.4	28.8	31.3
<b>Total Current liabilities</b>	<b>2 441.6</b>	<b>744.0</b>	<b>2 135.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 917.8</b>	<b>2 558.2</b>	<b>2 750.6</b>

## Financial KPI's

Amount in MSEK	3 MONTHS APR - JUN 2024	3 MONTHS JAN - MAR 2024	3 MONTHS OCT - DEC 2023	3 MONTHS JUL - SEP 2023	3 MONTHS APR - JUN 2023	3 MONTHS JAN - MAR 2023	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	786.8	770.0	993.6	824.5	802.1	816.4	1 042.2	860.8	858.4	862.6	1 075.9	846.6	852.9	830.3	993.3	778.0	763.1	640.5
Gross profit	324.8	312.7	413.4	341.6	341.3	322.5	399.3	333.2	347.4	354.5	440.9	341.6	377.6	343.8	434.8	181.3	342.5	249.0
Gross margin, %	41.3	40.6	41.6	41.4	42.6	39.5	38.3	38.7	40.5	41.1	41.0	40.3	44.3	41.4	43.3	23.3	44.9	38.9
Adjusted gross profit	343.3	312.7	413.4	341.6	341.3	322.5	399.3	333.2	347.4	354.5	440.9	341.6	377.6	343.8	434.8	339.8	342.5	249.0
Adjusted gross margin, %	43.6	40.6	41.6	41.4	42.6	39.5	38.3	38.7	40.5	41.1	41.0	40.3	44.3	41.4	43.3	43.7	44.9	38.9
EBITA	18.4	20.2	66.1	67.3	37.4	6.8	11.9	19.9	21.9	0.3	35.2	30.5	42.9	31.4	-302.0	-74.6	129.6	-0.8
Adjusted EBITA	50.3	20.2	73.6	67.3	41.3	6.8	26.4	30.2	8.3	14.9	38.9	36.4	54.6	31.4	99.4	85.0	104.8	0.9
Adjusted EBITA-margin, %	6.4	2.6	7.4	8.2	5.2	0.8	2.5	3.5	1.0	1.7	3.6	4.3	6.4	3.8	10.0	10.9	13.7	0.1
EBITDA	48.7	50.6	93.9	95.0	65.1	34.5	39.1	47.0	48.8	27.1	60.1	54.7	66.6	54.8	-279.6	-51.3	152.8	21.7
Adjusted EBITDA	80.5	50.6	101.4	95.0	69.0	34.5	53.5	57.3	35.3	41.7	63.7	60.6	78.3	54.8	121.8	108.3	128.0	23.4
Operating profit/loss	-5.2	-3.4	42.4	43.7	13.8	-16.8	-11.7	-3.7	-1.8	-23.3	10.4	6.6	19.0	7.5	-325.9	-98.5	105.7	-24.7
Operating margin, %	-0.7	-0.4	4.3	5.3	1.7	-2.1	-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	-61.9	-102.2	-34.9	-47.6	-96.9	-59.8	-98.7	-44.6	-56.7	-42.9	-59.7	-22.2	-50.1	-45.1	-35.7	-41.9	-40.5	-36.6
Profit/loss before tax	-67.1	-105.6	7.5	-3.9	-83.2	-76.6	-110.5	-48.3	-58.4	-66.3	-49.3	-15.7	-31.0	-37.5	-361.6	-140.4	65.2	-61.3
Profit/loss for the period	-48.5	-100.6	-5.6	-19.5	-82.3	-72.7	-134.5	-47.6	-61.7	-61.2	-57.4	-18.4	-34.0	-38.3	-334.1	-150.7	41.0	-49.9
Cash-flow from operations	-1.3	-252.3	158.8	18.3	27.2	-48.8	68.7	-0.2	17.0	-103.7	43.5	7.1	19.7	-86.5	89.4	79.1	13.6	-50.6
Cash-flow for the period	-25.3	-49.6	-13.5	8.3	-2.5	1.3	1.9	-1.0	-1.5	-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	3 214.2	3 255.9	3170.2	3319.5	3333.2	3 345.2	3 417.5	3 593.2	3 631.2	3 624.4	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	76.2	101.5	151.1	164.6	156.3	158.8	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	671.7	651.0	621.3	722.5	699.1	676.8	699.9	785.9	792.2	769.9	738.6	743.3	624.0	585.3	529.9	536.2	470.4	525.4
Equity at the end of the period	-630.5	-676.4	-504.9	-500.3	-495.3	-408.8	-357.2	-163.9	-129.0	-149.9	-59.8	30.5	27.6	54.8	62.6	437.3	588.8	558.1
Net debt	1 672.7	1 644.3	1366.2	1494.8	1488.2	1 487.1	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	552	557	558	568	585	603	602	592	602	612	604	585	581	556	551	522	521	530

# NOTES TO THE FINANCIAL STATEMENTS

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## Note 1 General information

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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.

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## Note 2 Significant accounting policies

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### **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 2023.

### **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.

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## Note 3 Significant estimates and judgements

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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 2023 on pages 34-35.

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## Note 4 Transactions with related parties

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Transactions, for the parent company and the group, with related parties are currently of the same nature as described in the annual report for 2023 for Ellos Group AB.

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## Note 5 Fair value financial instruments

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The group's financial instruments measured at fair value as at 30 June 2024 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 16.9 (31.7) million and derivative contracts with negative values amounted to SEK 12.1 (49.4) 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 APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>Gross profit, MSEK</b>				
Net sales	786.8	802.1	1 556.8	1 618.5
Cost of goods sold	-462	-460.8	-919.2	-954.7
<b>Gross profit</b>	<b>324.8</b>	<b>341.3</b>	<b>637.6</b>	<b>663.8</b>

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 APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>Gross Margin, %</b>				
Gross profit, in MSEK	324.8	341.3	637.6	663.8
Net sales, in MSEK	786.8	802.1	1 556.8	1 618.5
<b>Gross margin</b>	<b>41.3</b>	<b>42.6</b>	<b>41.0</b>	<b>41.0</b>

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 APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>Adjusted gross profit, MSEK</b>				
Net sales	786.8	802.1	1 556.8	1 618.5
Cost of goods sold	-462	-460.8	-919.2	-954.7
<b>Gross profit</b>	<b>324.8</b>	<b>341.3</b>	<b>637.6</b>	<b>663.8</b>
<b>Non-recurring items</b>				
Increased customs costs for previous years	18.5	0.0	18.5	0.0
<b>Adjusted gross profit</b>	<b>343.3</b>	<b>341.3</b>	<b>656.1</b>	<b>663.8</b>

Adjusted gross profit shows the difference between net sales and cost of goods sold adjusted for non-recurring itmes which refers to items that not occur yearly and are separated from usual business.

	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>Adjusted gross margin, %</b>				
Adjusted gross profit, in MSEK	343.3	341.3	656.1	663.8
Net sales, in MSEK	786.8	802.1	1 556.8	1 618.5
<b>Adjusted gross margin</b>	<b>43.6</b>	<b>42.6</b>	<b>42.1</b>	<b>41.0</b>

Adjusted gross margin shows adjusted gross profit i percentage to net sales.

EBITA, MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Operating profit/loss	-5.2	13.8	-8.7	-3.0
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6	47.3	47.3
<b>EBITA</b>	<b>18.4</b>	<b>37.4</b>	<b>38.6</b>	<b>44.3</b>

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

ADJUSTED EBITA, MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Operating profit/loss	-5.2	13.8	-8.7	-3.0
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6	47.3	47.3
<b>Non-recurring items</b>				
Restructuring costs	2.0	3.9	2.0	3.9
Strategic costs	11.4	0.0	11.4	0.0
Increased customs costs for previous years	18.5	0.0	18.5	0.0
<b>Adjusted EBITA</b>	<b>50.3</b>	<b>41.3</b>	<b>70.5</b>	<b>48.1</b>

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 APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Net sales, in MSEK	786.8	802.1	1 556.8	1 618.5
Adjusted EBITA, in MSEK	50.3	41.3	70.5	48.1
<b>Adjusted EBITA- margin</b>	<b>6.4</b>	<b>5.2</b>	<b>4.5</b>	<b>3.0</b>

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

ADJUSTED EBITDA, MSEK	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
Operating profit/loss	-5.2	13.8	-8.7	-3.0
Amortization, depreciation and impairment	53.8	53.0	107.8	106.0
<b>EBITDA</b>	<b>48.6</b>	<b>66.8</b>	<b>99.1</b>	<b>103.0</b>
<b>Non-recurring items</b>				
Restructuring costs	2.0	3.9	2.0	3.9
Strategic costs	11.4	0.0	11.4	0.0
Increased customs costs for previous years	18.5	0.0	18.5	0.0
<b>Adjusted EBITDA</b>	<b>80.5</b>	<b>70.6</b>	<b>131.0</b>	<b>106.8</b>

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.

	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>OPERATING PROFIT/LOSS, MSEK</b>				
Profit/loss before tax	-67.1	-83.2	-172.7	-159.7
Financial items	-61.9	-97.0	-164.0	-156.7
Operating profit/loss	-5.2	13.8	-8.7	-3.0

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

	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>OPERATING MARGIN, %</b>				
Operating profit/loss, in MSEK	-5.2	13.8	-8.7	-3.0
Net sales, in MSEK	786.8	802.1	1 556.8	1 618.5
Operating margin	-0.7	1.7	-0.6	-0.2

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

	3 MONTHS APR - JUN 2024	3 MONTHS APR - JUN 2023	6 MONTHS JAN - JUN 2024	6 MONTHS JAN - JUN 2023
<b>ADJUSTED CASH FLOW FROM OPERATIONS, MSEK</b>				
Cash flow from operations	-1.3	27.2	-253.6	-21.6
Pledging of cash and cash equivalents	26.4	0.0	170.7	0.0
Adjusted cash flow from operations	25.1	27.2	-82.9	-21.6

Early in the year, we entered into a new operational financing agreement in terms of a super senior bond of SEK 250 million. The proceeds of the bond were used to fully refinance the previous revolving credit facility, of which SEK 170.7 million was used as security for issued bank guarantees, among other things. Accordingly, cash flow for the period was negatively impacted by a corresponding amount.

	2024-06-30	2023-06-30	2023-12-31
<b>NET DEBT, MSEK</b>			
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 748.9	1 486.2	1 492.6
Interest-bearing liabilities, short-term	0.0	158.3	24.7
Cash and cash equivalents	-76.2	-156.3	-151.1
Net debt	1 672.7	1 488.2	1 366.2

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities, lease liabilities and liabilities to group companies. The SEK 170.7 million used as collateral for the group's bank guarantees and FX derivatives are reported as other current receivables and are thus excluded from the above statement. If these funds had been included, the net debt would have been SEK 1 502.0 million.

## 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.

Adjusted cash flow from operations: Cash flow from operations adjusted for the effect that cash and cash equivalents have been pledged and booked as other short-term receivables

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 August 2024

Arthur Engel  
Chairman of the board

Hans Ohlsson  
CEO

Robert Campbell Furuholm  
Board member

Patrik Illerstig  
Board member

Kristina Schauman  
Board member

Hans Lindau  
Employee representative

Åsa Tobrant  
Employee representative

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## FUTURE REPORTINGS AND EVENTS

Interim report third quarter 2024

14 November 2024

The interim report will be published and available at Ellos Groups website, [www.ellosgroup.com](http://www.ellosgroup.com). 23 August 2024

## FOR FURTHER INFORMATION

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## ABOUT ELLOS GROUP

The Ellos Group, which includes the e-stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading e-commerce group in the Nordic region. 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, 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](http://www.ellosgroup.com)

