

ELLOS GROUP

FNG Nordic AB (publ) group**

INTERIM REPORT JANUARY – MARCH 2021

THE FIRST QUARTER

- Net sales increased by 29.6 % to SEK 830.3 (640.5) million. Currency effects had a positive effect on growth of 1.8 %. Organically, net sales increased by 31.4 %.
- The gross margin increased to 50.8 (49.1) %.
- The operating profit/loss* amounted to SEK 7.5 (-24.7) million. The operating margin* was 0.9 (-3.9) %.
- Adjusted EBITA* amounted to SEK 31.4 (0.9) million. The adjusted EBITA margin* stood at 3.8 (0.1) %.
- Adjusted EBITDA* amounted to SEK 54.8 (23.4) million. The adjusted EBITDA margin* stood at 6.6 (3.7) %.
- Cash flow from operating activities amounted to SEK -86.5 (-50.6) million.
- Operating cash flow*, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK -101.9 (-60.3) million.
- Cash and cash equivalents amounted to SEK 205.6 (240.3) million.

FINANCIALS KPI'S, AMOUNT IN MSEK	3 MONTHS	3 MONTHS	Change
	JAN - MAR 2021	JAN – MAR 2020	
Net sales	830,3	640,5	29,6%
Gross margin, %	50,8	49,1	
Operating profit/loss	7,5	-24,7	>100%
Operating margin, %	0,9	-3,9	
Adjusted EBITA	31,4	0,9	>100%
Adjusted EBITA- margin, %	3,8	0,1	
Adjusted EBITDA	54,8	23,4	>100%
Adjusted EBITDA- margin, %	6,6	3,7	
Profit/loss for the period	-29,8	-49,9	40,3%
Cash-flow from operations	-86,5	-50,6	-70,9%
Operating cash-flow	-101,9	-60,3	-69,0%

* Not defined according to IFRS. See page 15.

**The interim report is prepared by FNG Nordic AB (publ). In the interim report, however, FNG Nordic AB (publ) is instead referred to as Ellos Group.

CEO COMMENTS

2021 BEGINS WITH A STRONG QUARTER!

Ellos Group starts the year with a strong development and the positive trend from 2020 is therefore continuing. During the first quarter of the year, sales growth exceeded 30%. All e-commerce sites, as well as both the home and fashion categories, contributed to the sales growth. More and more customers, both in the Nordic region and in the rest of Europe choose to purchase from our e-commerce sites. Sales increase, in combination with an improved gross margin translates to an adjusted EBITA increase to 31,4 MSEK from 0,9 MSEK previous year.

As previously informed, a challenging situation regarding freight capacity from Asia to Europe occurred at the end of last year. This situation has led to a severe increase in prices in the global market. For us this affected the first quarter of 2021 negatively with around 16 MSEK in increased freight costs. Despite this, gross margin increased by 1.7 per cent due to lower discounts during the quarter.

The European launch has continued with full force. Jotex attractive home furnishings offer has been very well received, especially in Germany where sales exceed our high expectations.

As communicated on the 19th of April, FNG N.V. and FNG Nordic AB reached a settlement agreement with the previous owners of Ellos Group. With this settlement, all pending disputes between parties will be resolved. As part of this settlement agreement, FNG N.V. and FNG Nordic AB have agreed to pay the previous owners an amount of EUR 100 million. Although no payment is currently due under the terms of the settlement agreement, under certain circumstances FNG Nordic AB will be liable for payment at a later stage. FNG Nordic AB has therefore chosen to make a SEK 401.3 million provision for settlement, which is reported as other costs for the financial year 2020. FNG Nordic's payment of any settlement amount is fully contingent upon the completion of the strategic review which will be initiated with the target to give Ellos Group the best possible setting, capital structure, and future possibilities. FNG Nordic AB's bonds will also be refinanced (or repaid) in advance of payment of the settlement.

Net debt was at the end of the quarter 1.252 MSEK, meaning that liquidity is strong with an undrawn revolving credit facility and 206 MSEK in cash at hand.

The surrounding world is now characterized by a high degree of uncertainty regarding how the will of consumption will develop in the traces of the pandemic, but also how prices and access to raw material, production and transport capacity will develop. We remain humble before these uncertainties. At the same time, we, as a leading e-commerce actor within fashion and home, see ourselves as well positioned to benefit from the structural online growth, especially within the home segment.

Paul Lembrechts, CEO of FNG Nordic AB (publ).





FIRST QUARTER 2021

SALES

Net sales for the period amounted to SEK 830.3 (640.5) million, which is an increase of 29.6 %. Exchange rates have affected net sales negatively by 1.8 %. All e-stores contribute to the increase in sales and both home and fashion show strong growth figures.

RESULTS

Gross profit for the period amounted to SEK 421.7 (314.3) million which is an increase of 107.4 million compares to last year. Cost of goods has been negatively affected in 2021 by around SEK 16 million through, in relation to a normal level, sharply increased shipping costs per unit. Despite this the gross margin increased by 1.7 percentage points compared with the same period last year and amounted to 50.8 (49.1) percent.

The operating profit/loss for the first quarter amounted to SEK 7.5 (-24.7) million. Selling expenses amounted to SEK 328.4 (245.9) and administrative expenses amounted to SEK 98.9 (90.5) million. Selling expenses have mainly increased as a result of increased marketing costs.

Adjusted EBITA amounted to SEK 31.4 (0.9) million and has been adjusted through a reversal of amortization and impairment of acquisition-related intangible assets of SEK 23.9 (23.9) million and non-recurring items of SEK 0.0 (1.7) million. Adjusted EBITDA amounted to SEK 54.8 (23.4) million and has been adjusted through a reversal of amortization, depreciation and impairment of SEK 47.3 (46.4) million and non-recurring items of SEK 0.0 (1.7) million.

CASH FLOW

Cash flow from operating activities amounted to SEK -86.5 (-50.6) million. The cashflow includes bond loan interest expenses amounting to SEK 25.6 (26.4) million.

Inventories were SEK 598.4 (539.9) million at the end of March. The increase compared with December 2020, when inventories were SEK 551.3 (529.4) million, amounts to SEK 47.1 (10.5) million and has had a negative effect on cash flow.

Accounts payable amounted to SEK 254.7 (343.1) million. The decrease compared with December 2020 when accounts payable amounted to SEK 288.5 (222.5) million amounts to -33.8 (120.5) and has had a negative effect on cash flow for the quarter.

Cash flow from investments totalled SEK -15.4 (-9.7) million, where the biggest part of it was related to investments in logistics as well as investments in IT structure for development projects

Operating cash-flow amounted to SEK -101.9 (-60.3) million.

Cash flow from financing activities amounted to SEK -13.2 (19.2) million, which comprised change in the group's lease liability.

Cash flow for the period totalled SEK -115,1 (-41.1) million.



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

A summary of effects on the Group due to covid-19 can be found in the Group's annual report for 2020 on page 5 and no major notable changes have taken place during the first quarter of 2021. At present, there are no identified delivery delays that would have a significant impact. It should be noted, however, that the world-wide situation means that there is a great deal of uncertainty in a number of areas, such as prices and supply of raw materials, production- and transport capacity.

The Group started a launch in Europe in December 2020 with the Jotex brand. The European launch has continued in 2021 with the Netherlands where the site for Jotex opened on 19 January followed by Austria on 2 February.

EVENTS AFTER CLOSING DATE

On 19 April 2021, FNG Nordic AB (publ) submitted a press release informing that FNG Nordic AB (publ) and its group parent company FNG NV have entered into a settlement agreement concerning the previously published arbitration procedure where the previous owners of Ellos Group had made claims against FNG NV and FNG Nordic AB for breach of certain conditions in the acquisition documents regarding FNG's acquisition of Ellos. This settlement agreement caused that the Group in the annual report for 2020 reported a provision for the settlement amounting to SEK 401.4 million, see further information in the FNG Nordic Group's annual report for 2020, note 8. The first quarter of 2021 was not affected by this arbitration.

The annual General Meeting of FNG Nordic AB has decided on a bonus issue by revaluation of shares in subsidiaries. The new quota value of the shares in FNG Nordic AB amounts to SEK 1 401.

NUMBER OF EMPLOYEES

As at 31 March 2021, the group had 556 (530) employees.

RISKS AND UNCERTAINTIES

The Group is exposed to a number of risks, for example in areas such as currency, interest rate and financing risk 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 2020 on pages 9-12 and 37-39.

PLEDGED ASSETS

The group's assets pledged as collateral for financing from Swedbank AB (publ) and the issued bond are unchanged compared with the Group's annual report for 2020 and are described in this on page 61.

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. Further information can be found in the Group's annual report for 2020 on page 61. This decision has been appealed, and the Group believes that there are good opportunities for a positive outcome.

PARENT COMPANY

The Parent Company's operating profit/loss amounted to SEK 0.2 (0.1) million for the first quarter. The Parent Company's income consists of intra-group services and the main costs was staff costs. Net financial income/expense amounted to SEK -29.2 (-26.4) million for the first quarter and primarily comprised interest on issued bonds.

DISTRUBUTION OF NET SALES, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020	Change
Revenue from agreements with customers	748,6	563,6	32,8%
Additional purchase price Resurs Bank	81,7	76,9	6,2%
Total	830,3	640,5	29,6%

NET SALES PER COUNTRY WHERE THE CUSTOMER IS LOCATED, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020	Change
Sweden	449,6	366,0	22,8%
Norway	139,8	103,7	34,8%
Finland	127,2	118,0	7,8%
Denmark	76,2	51,7	47,5%
Other	37,5	1,1	>100%
Net sales	830,3	640,5	29,6%

OTHER INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020	Change
Rental income	0,9	1,1	-23,0%
Royalties	3,4	2,0	70,7%
Exchange gain	8,8	0,9	>100%
Other	0,6	0,5	21,1%
Other income	13,7	4,5	>100%



CONSOLIDATED INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020
Net sales	830,3	640,5
Cost of goods sold	-408,6	-326,2
Gross profit	421,7	314,3
Selling expenses	-328,4	-245,9
Administrative expenses	-98,9	-90,5
Other income	13,7	4,5
Other costs	-0,6	-7,1
Operating profit/loss	7,5	-24,7
Financial income	6,4	1,9
Financial costs	-42,8	-38,5
Financial items	-36,4	-36,6
Profit/loss before tax	-28,9	-61,3
Income tax	-0,9	11,4
Profit/loss for the period	-29,8	-49,9
Attributable to:		
Parent company's shareholders	-29,8	-49,9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020
Profit/loss for the period	-29,8	-49,9
Items not to be returned to the income statement	0,0	0,0
Items that can later be reversed to the income statement		
Translation differences for the period	9,2	26,5
Cash-flow hedges change in value	2,9	47,7
Cash-flow hedges returned to the income statement	23,8	-11,2
Tax effect	-5,5	-7,8
Items that can later be reversed to the income statement	30,5	55,2
Comprehensive income	0,7	5,3
Attributable to:		
Parent company's shareholders	0,7	5,3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, AMOUNT IN MSEK	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Fixed assets			
Intangible assets	1 768,1	1 850,1	1 793,7
Tangible fixed assets	652,2	701,4	658,9
Long-term receivables	3,8	3,1	3,4
Deferred tax receivables	44,1	46,2	57,2
Total fixed assets	2 468,2	2 600,8	2 513,2
Current asset			
Inventories	598,4	539,9	551,3
Contract assets	29,1	29,4	31,2
Account receivables	46,4	50,3	37,1
Current receivables from group companies	12,8	12,7	12,8
Other current assets	183,1	263,2	165,9
Cash & cash equivalents	205,6	240,3	320,7
Total current assets	1 075,4	1 135,8	1 119,0
TOTAL ASSETS	3 543,6	3 736,6	3 632,2
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	63,3	558,1	62,6
Total Equity	63,3	558,1	62,6
Long-term liabilities			
Bond	1 457,6	1 445,8	1 454,5
Long-term lease liabilities	470,3	517,6	482,9
Other long-term liabilities	41,5	19,6	37,7
Deferred tax liabilities	202,4	231,1	208,8
Provision for pensions	165,1	170,4	165,2
Provision for settlement amount	401,4	0,0	401,4
Total Long-term liabilities	2 738,3	2 384,5	2 750,5
Current liabilities			
Interest-bearing liabilities	0,0	30,5	0,0
Current lease liabilities	62,8	67,9	63,4
Accounts payable	254,7	343,1	288,5
Other current liabilities	424,5	352,5	467,2
Total Current liabilities	742,0	794,0	819,1
TOTAL EQUITY AND LIABILITIES	3 543,6	3 736,6	3 632,2

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 AT JANUARY 1, 2021	0,5	679,9	12,3	-44,3	-585,7	62,6
Comprehensive income						
Profit/loss for the period					-29,8	-29,8
Other comprehensive income						
Cashflow hedges						
Change in fair value for the year				2,9		2,9
Transferred to the income statement				23,8		23,8
Translation differences			9,2			9,2
Tax attributable to items in other comprehensive income				-5,5	0,0	-5,5
Other comprehensive income, after tax	0,0	0,0	9,2	21,2	0,0	30,5
Comprehensive income	0,0	0,0	9,2	21,2	-29,8	0,7
Transactions with shareholders						
Dividends					0,0	0,0
Transactions with shareholders	0,0	0,0	0,0	0,0	0,0	0,0
BALANCE AT MARCH 31, 2021	0,5	679,9	21,5	-23,1	-615,5	63,3

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 AT JANUARY 1, 2020	0.5	664.3	-0.7	15.6	-95.7	552.9
Comprehensive income						
Profit/loss for the period					-49.9	-49.9
Other comprehensive income						
Cashflow hedges						
Change in fair value for the year				47.7		47.7
Transferred to the income statement				-11.2		-11.2
Translation differences			26.5			26.5
Tax attributable to items in other comprehensive income				-7.8		-7.8
Other comprehensive income, after tax	0.0	0.0	26.5	28.7	0,0	55.2
Comprehensive income	0.0	0.0	26.5	28.7	-49.9	5.3
Transactions with shareholders						
Dividends						0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE AT MARCH 31, 2020	0.5	664.3	25.8	13,1	-145.6	558.1

CONSOLIDATED CASH FLOW STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020
Cash-flow from operations before changes in working capital	-11,3	-23,0
Cash-flow from changes in working capital	-75,2	-27,6
Cash-flow from operations	-86,5	-50,6
Investments		
Acquisition of intangible fixed assets	-3,8	-6,2
Acquisition of tangible fixed assets	-11,2	-3,5
Acquisition of financial fixed assets	-0,4	0,0
Cash-flow from investments	-15,4	-9,7
Operating cash-flow	-101,9	-60,3
Financing activities		
Change in long-term liabilities	0,0	2,3
Payment of fees for raising loans	0,0	-0,5
Payment of lease liabilities	-13,2	-13,2
Change of revolving credit	0,0	30,6
Cash-flow from financing activities	-13,2	19,2
Cash-flow for the period	-115,1	-41,1
Cash and cash equivalents at beginning of period	320,7	272,0
Exchange rate difference in liquid assets	0,0	9,4
Cash and cash equivalents at end of period	205,6	240,3



PARENT COMPANY INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020
Net sales	5,2	4,1
Gross profit	5,2	4,1
Administrative expenses	-4,9	-4,0
Operating profit	0,2	0,1
Financial items		
Interest income	2,6	3,0
Interest costs	-31,8	-29,4
Financial items	-29,2	-26,4
Profit/loss after financial costs	-29,0	-26,3
Profit/loss before tax	-29,0	-26,3
Income tax	0,7	5,6
Profit/loss for the period	-28,3	-20,7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – MAR 2020
Profit/loss for the period	-28,3	-20,7
Comprehensive income	-28,3	-20,7



PARENT COMPANY'S BALANCE SHEET, AMOUNT IN MSEK	2021-03-31	2020-03-31	2020-12-31
ASSETS			
Fixed assets			
Shares in subsidiaries	1 669,3	1 679,4	1 669,3
Deferred tax assets	1,2	5,6	0,5
Long-term receivables	2,4	0,0	2,0
Total Fixed assets	1 672,9	1 685,0	1 671,8
Current assets			
Receivables from group companies	343,3	434,2	364,5
Tax assets	0,2	0,2	0,2
Other current assets	0,0	0,2	0,0
Prepayments and accrued income	0,1	0,1	0,1
Cash and bank	2,6	107,4	4,8
Total Current assets	346,2	542,1	369,6
TOTAL ASSETS	2 019,1	2 227,1	2 041,5
EQUITY AND LIABILITIES			
Restricted equity	0,5	0,5	0,5
Non-restricted equity	94,8	591,5	123,1
Total Equity	95,3	592,0	123,6
Long-term liabilities			
Bond issue	1 457,6	1 445,8	1 454,4
Long-term liabilities	39,7	16,6	36,1
Other provisions	401,4	0,0	401,4
Total Long-term liabilities	1 898,7	1 462,4	1 891,8
Current liabilities			
Liabilities to group companies	0,0	125,5	0,0
Other current liabilities	1,9	0,4	0,2
Accrued expenses and prepaid income	23,2	46,7	25,8
Total Current liabilities	25,1	172,6	26,0
TOTAL EQUITY AND LIABILITIES	2 019,1	2 227,1	2 041,5

FINANCIALS KPI'S, AMOUNT IN MSEK	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	830,3	993,3	778,0	763,1	640,5
Gross profit	421,7	517,9	252,5	417,7	314,3
Gross margin. %	50,8	52,1	32,5	54,7	49,1
Adjusted gross profit	421,7	517,9	411,1	417,7	314,3
Adjusted gross margin. %	50,8	52,1	52,8	54,7	49,1
Operating profit/loss	7,5	-325,9	-98,5	105,7	-24,7
Operating margin. %	0,9	-32,8	-12,7	13,9	-3,9
EBITA	31,4	-302,0	-74,6	129,6	-0,8
Adjusted EBITA	31,4	99,4	85,0	104,8	0,9
Adjusted EBITA-margin. %	3,8	10,0	10,9	13,7	0,1
EBITDA	54,8	-279,6	-51,3	152,8	21,7
Adjusted EBITDA	54,8	121,8	108,3	128,0	23,4
Adjusted EBITDA-marginal. %	6,6	12,3	13,9	16,8	3,7
Financial items	-36,4	-35,7	-41,9	-40,5	-36,6
Profit/loss before tax	-28,9	-361,6	-140,4	65,2	-61,3
Profit/loss for the period	-29,8	-334,1	-150,7	41,0	-49,9
Cash-flow from operations	-86,5	89,4	79,1	13,6	-50,6
Operating cash-flow	-101,9	72,2	75,0	8,2	-60,3
Cash-flow for the period	-115,1	60,0	61,2	-31,6	-41,1
Balance sheet total at the end of the period	3 543,6	3 632,2	3 605,2	3 645,1	3 736,6
Cash and cash equivalents at end of period	205,6	320,7	263,4	202,7	240,3
Inventories at the end of the period	598,4	551,3	556,5	486,6	539,9
Equity at the end of the period	63,3	62,6	437,3	588,8	558,1
Net debt	1 252,0	1 133,8	1 187,9	1 245,6	1 236,1
Number of employees at the end of the period	556	551	522	521	530



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

FNG Nordic 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.

FNG Nordic AB is a subsidiary of FNG Finance Belgium BVBA, whose registered office is in Belgium, and the company is a part of the in Belgium listed group FNG NV.

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

2. SIGNIFICANT ACCOUNTING POLICIES

General information

The consolidated financial statements for FNG Nordic 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 2020.

New and changed amendments together with new interpretations which come into effect on 1 January 2021 are not expected to have a significant impact on the group's financial statements.

Parent Company's accounting policies

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.

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 2020 on pages 35-36.

4. TRANSACTIONS WITH RELATED PARTIES

Transactions for the Parent Company and the group with related parties are currently of the same nature as described in annual report 2020 for FNG Nordic AB.

5. FAIR VALUE FINANCIAL INSTRUMENTS

The group's financial instruments measured at fair value as at 31 March 2021 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 26.9 (66.8) million and derivative contracts with negative values amounted to SEK 34.6 (13.0) 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 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 JAN - MAR 2021	3 MONTHS JAN – DEC 2020
GROSS PROFIT, AMOUNT IN MSEK		
Net sales	830,3	640,5
Cost of goods sold	-408,6	-326,3
Gross profit	421,7	314,3

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 JAN - MAR 2021	3 MONTHS JAN – DEC 2020
GROSS MARGIN %		
Gross profit, in MSEK	421,7	314,3
Net sales, in MSEK	830,3	640,5
Gross margin	50,8	49,1

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 JAN - MAR 2021	3 MONTHS JAN – DEC 2020
OPERATING PROFIT/LOSS, AMOUNT IN MSEK		
Profit/loss before tax, in MSEK	-28,9	-61,3
Financial items, in MSEK	-36,4	-36,6
Operating profit/loss	7,5	-24,7

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

	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – DEC 2020
OPERATING MARGIN %		
Operating profit/loss, in MSEK	7,5	-24,7
Net sales, in MSEK	830,3	640,5
Operating margin	0,9	-3,9

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

	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – DEC 2020
EBITA, AMOUNT IN MSEK		
Operating profit/loss	7,5	-24,7
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,9	23,9
EBITA	31,4	-0,8

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

	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – DEC 2020
EBITDA, AMOUNT IN MSEK		
Operating profit/loss	7,5	-24,7
Amortization, depreciation and impairment	47,3	46,4
EBITDA	54,8	21,7

EBITDA shows the operating profit/loss before amortization, depreciation and impairment.

	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – DEC 2020
ADJUSTED EBITA, AMOUNT IN MSEK		
Operating profit/loss	7,5	-24,7
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,9	23,9
Non-recurring items		
Acquisition-related costs	0,0	0,8
Unused storage areas	0,0	0,9
Adjusted EBITA	31,4	0,9

Adjusted EBITA shows the operating profit/loss before amortization, of acquisition-related intangible assets 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 JAN - MAR 2021	3 MONTHS JAN – DEC 2020
ADJUSTED EBITDA, AMOUNT IN MSEK		
Operating profit/loss	7,5	-24,7
Amortization, depreciation and impairment	47,3	46,4
EBITDA	54,8	21,7
Non-recurring items		
Acquisition-related costs	0,0	0,8
Unused storage areas	0,0	0,9
Adjusted EBITDA	54,8	23,4

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 JAN - MAR 2021	3 MONTHS JAN – DEC 2020
ADJUSTED EBITA MARGIN, %		
Net sales	830,3	640,5
Adjusted EBITA	31,4	0,9
Adjusted EBITA- margin	3,8	0,1

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

	3 MONTHS JAN - MAR 2021	3 MONTHS JAN – DEC 2020
ADJUSTED EBITDA MARGIN, %		
Net sales	830,3	640,5
Adjusted EBITDA	54,8	23,4
Adjusted EBITDA- margin	6,6	3,7

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

	2021-03-31	2020-03-31
NET DEBT, AMOUNT IN MSEK		
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 457,6	1 445,8
Interest-bearing liabilities, short-term	0,0	30,5
Cash and cash equivalents	-205,6	-240,3
Net debt	1 252,0	1 236,1

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities and lease liabilities. Net debt/net asset indicates the extent to which the group is willing to indebt its business.

	3 MONTHS JAN - MAR 2021	12 MONTHS JAN – DEC 2020
OPERATING CASH FLOW, AMOUNT IN MSEK		
Cash flow from operating activities	-86,5	-50,6
Cash flow from investments	-15,4	-9,7
Operating cash flow	-101,8	-60,3

Operating cash flow shows cash flow from operating activities before the cash flow from investment activities.

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 non-recurring items.

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

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 and lease liabilities) less cash and cash equivalents and interest-bearing assets at the end of the period.

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

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

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

Operating cash flow: The sum of Cash flow from operating activities and Cash flow from investment activities.

* Definition according to IFRS



ASSURANCE OF TRUE AND FAIR VIEW

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

The CEO 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, 31 May 2021

Paul Lembrechts
CEO

FUTURE REPORTING AND EVENTS

Annual general meeting
Interim report second quarter 2021

25 May 2021
31 August 2021

The interim report will be published and available at Ellos Groups website, www.ellosgroup.com. 31th of May 2021.

FOR FURTHER INFORMATION

CFO: Johan Stigson
Tel. +46 (0)33 16 08 05

FOR TRANSLATION PURPOSES ONLY

This information is information that FNG Nordic AB 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 31st of May 2021 at 08.00 CET.

ABOUT ELLOS GROUP

The Ellos Group, which includes Ellos, Jotex, Stayhard, and Homeroom, is the Nordic region's leading e-commerce 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.

www.ellosgroup.com

