

ELLOS GROUP

FNG Nordic AB (publ) group**

INTERIM REPORT JANUARY – JUNE 2021

THE SECOND QUARTER 2021

- Net sales increased by 11.8 % to SEK 852.9 (763.1) million. Currency effects had a negative effect on growth of 0.6 %.
- The gross margin decreased to 53.9 (54.7) %.
- The operating profit/loss* amounted to SEK 19.0 (105.7) million. The operating margin* was 2.2 (13.9) %.
- Adjusted EBITA* amounted to SEK 54.6 (104.8) million. The adjusted EBITA margin* stood at 6.4 (13.7) %.
- Adjusted EBITDA* amounted to SEK 78.3 (128.0) million. The adjusted EBITDA margin* stood at 9.2 (16.8) %.
- Cash flow from operating activities amounted to SEK 19.7 (13.6) million.
- Operating cash flow*, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK 6.0 (8.2) million.
- Cash and cash equivalents amounted to SEK 198.3 (202.7) million.

SIX MONTHS 2021

- Net sales increased by 19.9 % to SEK 1 683.2 (1 403.6) million. Currency effects had a negative effect on growth of 1.4 %.
- The gross margin increased to 52.4 (52.1) %.
- The operating profit/loss* amounted to SEK 26.6 (81.0) million. The operating margin* was 1.6 (5.8) %.
- Adjusted EBITA* amounted to SEK 86.1 (105.7) million. The adjusted EBITA margin* stood at 5.1 (7.5) %.
- Adjusted EBITDA* amounted to SEK 133.3 (151.4) million. The adjusted EBITDA margin* stood at 7.9 (10.8) %.
- Cash flow from operating activities amounted to SEK -66.8 (-37.0) million.
- Operating cash flow*, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK -95.9 (-52.0) million.
- Cash and cash equivalents amounted to SEK 198.3 (202.7) million.

FINANCIALS KPI'S, AMOUNT IN MSEK Unless otherwise indicated	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	Change	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020	Change
Net sales	852,9	763,1	11,8%	1 683,2	1 403,6	19,9%
Gross margin, %	53,9	54,7		52,4	52,1	
Operating profit/loss	19,0	105,7	-82,0%	26,6	81,0	-67,2%
Operating margin, %	2,2	13,9		1,6	5,8	
Adjusted EBITA	54,6	104,8	-47,9%	86,1	105,7	-18,6%
Adjusted EBITA- margin, %	6,4	13,7		5,1	7,5	
Adjusted EBITDA	78,3	128,0	-38,8%	133,3	151,4	-11,9%
Adjusted EBITDA- margin, %	9,2	16,8		7,9	10,8	
Profit/loss for the period	-22,0	41,0	-153,7%	-51,7	-8,9	-480,9%
Cash-flow from operations	19,7	13,6	44,9%	-66,8	-37,0	-80,5%
Operating cash-flow	6,0	8,2	-26,8%	-95,9	-52,0	-84,4%

* Not defined according to IFRS. See page 17.

**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

A QUARTER WITH CONTINUED PROFITABLE GROWTH

Ellos Group continued its growth journey during the second quarter with a growth of approximately 12 per cent. Net sales for the first six months landed at almost SEK 1.7 billion which corresponds to a sales growth of about 20 per cent. The adjusted EBITA margin for the second quarter amounted to 6.4 per cent and 5.1 per cent for the first six months. With a strong half-year, Ellos Group continues to strengthen its position as the Nordic region's leading e-commerce group within home and fashion.

We are pleased to see a continued increase in number of customers on our e-commerce sites. Both the home and fashion categories grew during the first six months of the year. This was despite a strong second quarter in 2020 when home furnishings and product categories had a significant growth rate, due to customers spending more time at home. Our marketing investments are yielding results.

Ellos Group is currently present in several growth markets outside the Nordic region, through our own geographical expansion in Europe and collaborations with external online platforms. Our European growth strategy with a focus on home furnishings, which was launched a year ago, continues with the same intensity. During the quarter, we invested in our logistics and scalable platform with a focus on continued cost-effective operations and an improved customer experience in both the Nordic region and Europe.

As previously informed, global logistics chains have a challenging situation regarding freight capacity and higher prices. For us, this has led to increased freight costs. Despite this, we deliver a continued high gross margin of 53.9 per cent in the quarter.

The strategic review with the objective to give Ellos Group the best possible setting, capital structure and future possibilities, which we have previously communicated, has begun. The review includes an evaluation of the conditions for a potential listing as one strategic alternative. No decisions have been made yet, but we will inform if and when any such decision is made.

I am very pleased to today announce the appointment of Arthur Engel as the new Chairman of the Board and Kristina Schauman, Robert Furuholm and Patrik Illerstig as new Board members of Ellos Group. The expansion of the Board is a natural part of Ellos Group's development and the newly appointed members add significant competence and experience in, above all, business development, digitalization and internationalization as well as valuable new perspectives. I really look forward to working with Arthur Engel and the rest of the Board to support Ellos Group in the next chapter of the company's growth journey in the Nordics and Europe.

We are pleased to see that the world is gradually opening as more and more people are vaccinated, and coronavirus restrictions are eased. However, there is a high degree of uncertainty regarding consumer behavior and how prices, and production and transport capacity, will develop. We are monitoring this development closely and take necessary measures to be able to successfully navigate the market today as well as in the future.

To summarize, we have delivered a quarter with continued profitable growth. This is a clear sign that Ellos Group has a strong and profitable platform to build on. I am convinced that we, as a leading e-commerce player with strong brands in home and fashion, are well positioned to take advantage of the significant growth potential online.

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



SECOND QUARTER 2021

SALES

Net sales for the period amounted to SEK 852.9 (763.1) million, which is an increase of 11.8 %. Exchange rates have affected net sales negatively by 0.6 %. Home is growing substantially despite of very strong comparative numbers for the second quarter 2020.

RESULTS

Gross profit for the period amounted to SEK 460.0 (417.7) million which is an increase of 42.3 million compared to last year. Cost of goods has been negatively affected in 2021, in relation to a normal level, sharply increased shipping costs per unit. The gross margin decreased by 0.8 percentage points compared with the same period last year and amounted to 53.9 (54.7) percent.

The operating profit/loss for the second quarter amounted to SEK 19.0 (105.7) million. Selling expenses amounted to SEK 330.8 (251.0) and administrative expenses amounted to SEK 118.1 (73.5) million. Selling expenses have mainly increased as a result of increased marketing costs. Administrative expenses have increased compared to the same period last year, primarily as a result of non-recurring items.

Adjusted EBITA amounted to SEK 54.6 (104.8) 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 11.7 (-24.8) million. Adjusted EBITDA amounted to SEK 78.3 (128.0) million and has been adjusted through a reversal of amortization, depreciation and impairment of SEK 47.6 (47.1) million and non-recurring items of SEK 11.7 (-24.8) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 19.7 (13.6) million. The cash flow includes bond loan interest expenses amounting to SEK 25.6 (26.4) million.

Inventories were SEK 624.0 (470.4) million at the end of June. The increase compared with March 2021, when inventories were SEK 585.3 (525.4) million, amounts to SEK 38.7 (-54.9) million and has had a negative effect on cash flow.

Accounts payable amounted to SEK 316.7 (208.1) million. The increase compared with March 2021 when accounts payable amounted to SEK 254.7 (343.1) million amounts to 62.0 (-135.0) and has had a positive effect on cash flow for the quarter.

Cash flow from investments totalled SEK -13.7 (-5.4) 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 6.0 (8.2) million.

Cash flow from financing activities amounted to SEK -13.3 (-39.8) million, which comprised change in the group's lease liability.

Cash flow for the period totalled SEK -7.3 (-31.6) million.



SIX MONTHS 2021

SALES

Net sales for the period amounted to SEK 1 683.2 (1 403.6) million, which is an increase of 19.9 %. Exchange rates have affected net sales negatively by 1.4 %. Both home and fashion contributed to the sales growth.

RESULTS

Gross profit for the period amounted to SEK 881.8 (732.0) million which is an increase of 149.8 million compared to last year. The gross margin was 52.4 (52.1) percent. Cost of goods has been negatively affected in 2021 by around 23 million through, in relation to a normal level, sharply increased shipping costs per unit.

The operating profit/loss for the period amounted to SEK 26.6 (81.0) million. Selling expenses amounted to SEK 659.2 (496.9) and administrative expenses amounted to SEK 217.0 (163.9) million. Sales costs have mainly increased as a result of increased marketing costs. Administrative expenses have increased compared with the previous year primarily due to non-recurring items.

Adjusted EBITA amounted to SEK 86.1 (105.7) million and has been adjusted through a reversal of amortization and impairment of acquisition-related intangible assets of SEK 47.8 (47.8) million and non-recurring items of SEK 11.7 (-23.1) million. Adjusted EBITDA amounted to SEK 133.3 (151.4) million and has been adjusted through a reversal of amortization, depreciation and impairment of SEK 94.9 (93.5) million and non-recurring items of SEK 11.7 (-23.1) million.

CASH FLOW

Cash flow from operating activities amounted to SEK -66.8 (-37.0) million. The cashflow includes bond loan interest expenses amounting to SEK 51.3 (52.8) million.

Inventories were SEK 624.0 (470.4) million at the end of June. The increase compared with December 2020, when inventories were SEK 528.9 (511.2) million, amounts to SEK 95.2 (-40.8) million and has had a negative effect on cash flow.

Accounts payable amounted to SEK 316.7 (208.1) million. The increase compared with December 2020 when accounts payable amounted to SEK 288.5 (222.5) million amounts to 28.2 (-14.4) and has had a positive effect on cash flow for the quarter.

Cash flow from investments totalled SEK -29.1 (-15.0) 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 -95.9 (-52.0) million.

Cash flow from financing activities amounted to SEK -26.5 (-20.6) million, which comprised change in the group's lease liability.

Cash flow for the period totalled SEK -122.4 (-72.6) million.



SIGNIFICANT EVENTS DURING THE SECOND 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 noticable changes have taken place during the first quarter of 2021. The situation on the global freight market continues to be strained. We are experiencing delivery delays, but not to the level that it would have a significant impact. 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.

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 regarding 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 meant that the Group reported a provision for the settlement in the settlement agreement in the annual report for 2020 amounting to SEK 401.4 million, see further information in the FNG Nordic Group's annual report for 2020, note 8.

The Group has decided to expand its premises for home furnishings and the property owner of the logistics center that Ellos Group rents will expand the current premises by an additional 20,000 square meters. After the extension, the total lettable area amounts to 55,000 square meters.

During April 2021, Stayhard launched a new and upgraded e-commerce site in all markets in the Nordic region. The new site has improved capabilities for personal inspiration, easier navigation and a more customized product range as well as a faster shopping experience.

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.

EVENTS AFTER CLOSING DATE

The strategic review of Ellos Group, which was previously communicated in a press release from 19th of April 2021, has begun and is proceeding according to plan. The review includes an evaluation of the conditions for a potential listing as one strategic alternative. The overall objective is to give Ellos Group the best possible setting, capital structure and future possibilities.

The Board of Ellos Group is expanded with four new members. Today it is announced that Arthur Engel will take over as Chairman of the Board and Kristina Schauman, Robert Furuhjelm and Patrik Illerstig as Board members. The expansion of the Board is a natural part of Ellos Group's development and the newly appointed members add significant competence and experience. The Board will support Ellos Group in its continued growth strategy in the Nordic region and Europe.

Arthur Engel is an experienced business leader, mentor, and investor. As former CEO of Gant and Björn Borg, he has extensive knowledge of retail. Arthur is currently Chairman of the Board of Rapunzel of Sweden and Pincho Nation Group, among others. He has board experience from Marimekko, Eton and Nordic Outdoor & Sports Group, among others.

Kristina Schauman has many years of international experience from leading positions in several industries and has worked as CFO for OMX and Apoteket AB, among others. Today she works on the boards of AFRY, BillerudKorsnäs, Coor Service Management and Nordic Entertainment Group, among others. She has board experience from Apoteket, Diaverum and Orexo, among others.

Robert Furuhjelm is a Partner at Nordic Capital and has extensive experience from the private equity industry through several positions within Nordic Capital and from Goldman Sachs and SEB. He is currently Chairman of the Board of FRV Investment AB.

Patrik Illerstig has many years of experience from entrepreneurship, business development and digitalization. He is the CEO and co-founder of Carla and has previously been CEO of Care by Volvo Car AB and CEO of Qliro AB. In addition to the chairmanship of Carla, Patrik is currently a Board member of Brite and Caterbee and he has board experience from Checkin.com Group.

The Board of Ellos Group now consists of Arthur Engel (Chairman of the Board), Kristina Schauman, Paul Lembrechts, Robert Furuhjelm, Patrik Illerstig, Hans Lindau (Employee representative), Åsa Tobrant (Employee representative), Karin Berg (Deputy employee representative) and Satu Tervo (Deputy employee representative).

At the same time, the Board of FNG Nordic AB (publ) changes when Robert Furuhjelm and Morten Faye Eriksen join as members while Richard Turk and Geert Jacobs leave the Board. The Board of FNG Nordic AB (publ) now consists of Robert Furuhjelm (Chairman of the Board), Paul Lembrechts and Morten Faye Eriksen.

NUMBER OF EMPLOYEES

As at 30 June 2021, the group had 581 (521) 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.

PLEGDED 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 (-1.9) million for the second 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 -29.6 (-34.1) million for the second quarter and primarily comprised interest on issued bonds.



DISTRUBUTION OF NET SALES	3 MONTHS	3 MONTHS		6 MONTHS	6 MONTHS	
AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	Change	JAN – JUN 2021	JAN – JUN 2020	Change
Revenue from agreements with customers	773,8	686,7	12,7%	1 522,4	1 250,3	21,8%
Additional purchase price Resurs Bank	79,1	76,4	3,5%	160,8	153,3	4,9%
Total	852,9	763,1	11,8%	1 683,2	1 403,6	19,9%

NET SALES PER COUNTRY WHERE THE CUSTOMER IS LOCATED, AMOUNT IN MSEK	3 MONTHS	3 MONTHS		6 MONTHS	6 MONTHS	
	APR – JUN 2021	APR – JUN 2020	Change	JAN – JUN 2021	JAN – JUN 2020	Change
Sweden	461,0	415,7	10,9%	910,7	781,7	16,5%
Norway	156,7	135,5	15,7%	296,5	239,2	24,0%
Finland	124,0	137,6	-9,9%	251,2	255,6	-1,7%
Denmark	65,4	64,5	1,4%	141,6	116,1	21,9%
Other	45,8	9,8	>100%	83,2	11,0	>100%
Net sales	852,9	763,1	11,8%	1 683,2	1 403,6	19,9%

OTHER INCOME, AMOUNT IN MSEK	3 MONTHS	3 MONTHS		6 MONTHS	6 MONTHS	
	APR – JUN 2021	APR – JUN 2020	Change	JAN – JUN 2021	JAN – JUN 2020	Change
Rental income	1,2	1,2	-3,0%	2,1	2,4	-12,6%
Royalties	4,9	3,1	56,1%	8,3	5,1	61,8%
Exchange gain	1,0	5,1	-80,3%	9,8	5,9	64,8%
Other	1,0	0,6	65,3%	1,6	1,0	60,4%
Other income	8,1	10,0	-18,5%	21,8	14,4	50,8%



CONSOLIDATED INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
Net sales	852,9	763,1	1 683,2	1 403,6
Cost of goods sold	-392,9	-345,4	-801,4	-671,6
Gross profit	460,0	417,7	881,8	732,0
Selling expenses	-330,8	-251,0	-659,2	-496,9
Administrative expenses	-118,1	-73,5	-217,0	-163,9
Other income	8,1	10,0	21,8	14,4
Other costs	-0,2	2,5	-0,8	-4,6
Operating profit/loss	19,0	105,7	26,6	81,0
Financial income	-2,9	2,2	3,5	4,1
Financial costs	-35,1	-42,7	-78,0	-81,2
Financial items	-38,0	-40,5	-74,5	-77,1
Profit/loss before tax	-19,0	65,2	-47,9	3,9
Income tax	-3,0	-24,2	-3,8	-12,8
Profit/loss for the period	-22,0	41,0	-51,7	-8,9
Attributable to:				
Parent company's shareholders	-22,0	41,0	-51,7	-8,9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
Profit/loss for the period	-22,0	41,0	-51,7	-8,9
Items not to be returned to the income statement				
Actuarial gains/losses	14,1	0,0	14,1	0,0
Tax effect	-2,9	0,0	-2,9	0,0
Items not to be returned to the income statement	11,2	0,0	11,2	0,0
Items that can later be reversed to the income statement				
Translation differences for the period	-11,1	-10,3	-1,9	16,2
Cash-flow hedges change in value	11,0	-13,8	13,9	34,0
Cash-flow hedges returned to the income statement	-2,5	-6,1	21,3	-17,3
Tax effect	-1,8	4,3	-7,2	-3,6
Items that can later be reversed to the income statement	-4,4	-26,0	26,1	29,2
Comprehensive income	-15,2	15,1	-14,5	20,3
Attributable to:				
Parent company's shareholders	-15,2	15,1	-14,5	20,3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, AMOUNT IN MSEK	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed assets			
Intangible assets	1 742,8	1 840,8	1 793,7
Tangible fixed assets	641,9	683,5	658,9
Long-term receivables	4,4	45,5	3,4
Deferred tax receivables	47,4	38,9	57,2
Total fixed assets	2 436,5	2 608,7	2 513,2
Current asset			
Inventories	632,7	486,6	551,3
Contract assets	31,7	28,4	31,2
Account receivables	39,4	40,4	37,1
Current receivables from group companies	12,8	12,8	12,8
Other current assets	204,0	265,5	165,9
Cash & cash equivalents	198,3	202,7	320,7
Total current assets	1 118,9	1 036,4	1 119,0
TOTAL ASSETS	3 555,4	3 645,1	3 632,2
EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders	48,2	588,8	62,6
Total Equity	48,2	588,8	62,6
Long-term liabilities			
Bond	1 460,8	1 448,3	1 454,5
Long-term lease liabilities	457,6	504,2	482,9
Other long-term liabilities	47,4	26,9	37,7
Deferred tax liabilities	199,2	222,0	208,8
Provision for pensions	150,8	171,4	165,2
Provision for settlement amount	401,4	0,0	401,4
Total Long-term liabilities	2 717,2	2 372,8	2 750,5
Current liabilities			
Interest-bearing liabilities	0,0	0,0	0,0
Current lease liabilities	62,2	67,9	63,4
Accounts payable	316,7	208,1	288,5
Other current liabilities	411,1	407,5	467,2
Total Current liabilities	790,0	683,5	819,1
TOTAL EQUITY AND LIABILITIES	3 555,4	3 645,1	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					-51,7	-51,7
Other comprehensive income						
Cashflow hedges						
Change in fair value for the year				13,9		13,9
Transferred to the income statement				21,3		21,3
Translation differences			-1,9			-1,9
Actuarial gains/losses					14,1	14,1
Tax attributable to items in other comprehensive income				-7,3	-2,9	-10,2
Other comprehensive income, after tax	0,0	0,0	-1,9	28,0	11,2	37,3
Comprehensive income	0,0	0,0	-1,9	28,0	-40,6	-14,5
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 JUNE 30, 2021	0,5	679,9	10,4	-16,4	-626,3	48,2

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, 2020	0,5	664,3	-0,7	15,6	-95,7	552,9
Comprehensive income						
Profit/loss for the period					-8,9	-8,9
Other comprehensive income						
Cashflow hedges						
Change in fair value for the year				34,0		34,0
Transferred to the income statement				-17,3		-17,3
Translation differences			16,2			16,2
Tax attributable to items in other comprehensive income				-3,6		-3,6
Other comprehensive income, after tax	0,0	0,0	16,2	13,1	0,0	29,2
Comprehensive income	0,0	0,0	16,2	13,1	-8,9	20,3
Transactions with shareholders						
Contribution received in connection with acquisition of subsidiary		15,6				15,6
Dividends						0,0
Transactions with shareholders	0,0	15,6	0,0	0,0	0,0	15,6
BALANCE AT MARCH 31, 2020	0,5	679,9	15,4	-2,5	-104,6	588,8

CONSOLIDATED CASH FLOW STATEMENT, AMOUNT IN MSEK	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
Cash-flow from operations before changes in				
working capital	16,3	90,5	1,8	67,5
Cash-flow from changes in working capital	3,4	-76,9	-68,6	-104,5
Cash-flow from operations	19,7	13,6	-66,8	-37,0
Investments				
Acquisition of intangible fixed assets	-4,3	-4,2	-8,1	-10,4
Acquisition of tangible fixed assets	-8,8	-0,6	-20,0	-4,1
Acquisition of financial fixed assets	-0,6	-0,6	-1,0	-0,5
Cash-flow from investments	-13,7	-5,4	-29,1	-15,0
Operating cash-flow	6,0	8,2	-95,9	-52,0
Financing activities				
Change in long-term liabilities	0,0	-2,3	0,0	0,0
Payment of fees for raising loans	0,0	-1,2	0,0	-1,7
Payment of lease liabilities	-13,3	-5,8	-26,5	-18,9
Change of revolving credit	0,0	-30,5	0,0	0,0
Cash-flow from financing activities	-13,3	-39,8	-26,5	-20,6
Cash-flow for the period	-7,3	-31,6	-122,4	-72,6
Cash and cash equivalents at beginning of period	205,6	240,3	320,7	272,0
Exchange rate difference in liquid assets	0,0	-6,0	0,0	3,3
Cash and cash equivalents at end of period	198,3	202,7	198,3	202,7



PARENT COMPANY INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
Net sales	5,9	4,7	11,1	8,8
Gross profit	5,9	4,7	11,1	8,8
Administrative expenses	-5,7	-6,6	-10,7	-10,6
Other costs	0,0	0,0	0,0	0,0
Operating profit	0,2	-1,9	0,4	-1,8
Financial items				
Interest income	4,4	2,9	6,9	5,9
Interest costs	-34,0	-36,9	-65,7	-66,3
Financial items	-29,6	-34,1	-58,8	-60,4
Profit/loss after financial costs	-29,4	-35,9	-58,4	-62,2
Appropriations	0,0	0,0	0,0	0,0
Profit/loss before tax	-29,4	-35,9	-58,4	-62,2
Income tax	1,1	-3,7	1,8	2,0
Profit/loss for the period	-28,3	-39,6	-56,6	-60,3

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
Profit/loss for the period	-28,3	-39,6	-56,6	-60,3
Comprehensive income	-28,3	-39,6	-56,6	-60,3



PARENT COMPANY'S BALANCE SHEET, AMOUNT IN MSEK	2021-06-30	2020-06-30	2020-12-31
ASSETS			
Fixed assets			
Shares in subsidiaries	2 369,8	1 669,3	1 669,3
Deferred tax assets	2,6	2,0	0,5
Long-term receivables	2,3	1,5	2,0
Total Fixed assets	2 374,7	1 672,8	1 671,8
Current assets			
Contract assets	0,0	1,8	0,0
Receivables from group companies	319,3	388,7	364,5
Tax assets	0,3	0,3	0,2
Other current assets	0,2	0,1	0,0
Prepayments and accrued income	0,6	0,1	0,1
Cash and bank	3,7	2,2	4,8
Total Current assets	324,1	393,1	369,6
TOTAL ASSETS	2 698,8	2 065,9	2 041,5
EQUITY AND LIABILITIES			
Restricted equity	700,5	0,5	0,5
Non-restricted equity	66,5	567,5	123,1
Total Equity	767,0	568,0	123,6
Long-term liabilities			
Bond issue	1 460,8	1 448,3	1 454,4
Long-term liabilities	45,2	24,4	36,1
Other provisions	401,4	0,0	401,4
Total Long-term liabilities	1 907,4	1 472,7	1 891,8
Current liabilities			
Accounts payable	0,6	0,0	0,0
Liabilities to group companies	0,0	0,1	0,0
Other current liabilities	0,3	0,3	0,2
Accrued expenses and prepaid income	23,5	24,8	25,8
Total Current liabilities	24,4	25,2	26,0
TOTAL EQUITY AND LIABILITIES	2 698,8	2 065,9	2 041,5

FINANCIALS KPI'S, AMOUNT IN MSEK, Unless otherwise indicated	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	852,9	830,3	993,3	778,0	763,1	640,5
Gross profit	460,1	421,7	517,9	252,5	417,7	314,3
Gross margin. %	53,9	50,8	52,1	32,5	54,7	49,1
Adjusted gross profit	460,1	421,8	517,9	411,1	417,7	314,3
Adjusted gross margin. %	53,9	50,8	52,1	52,8	54,7	49,1
Operating profit/loss	19,0	7,5	-325,9	-98,5	105,7	-24,7
Operating margin. %	2,2	0,9	-32,8	-12,7	13,9	-3,9
EBITA	42,9	31,4	-302,0	-74,6	129,6	-0,8
Adjusted EBITA	54,6	31,5	99,4	85,0	104,8	0,9
Adjusted EBITA-margin. %	6,4	3,8	10,0	10,9	13,7	0,1
EBITDA	66,6	54,8	-279,6	-51,3	152,8	21,7
Adjusted EBITDA	78,3	54,8	121,8	108,3	128,0	23,4
Adjusted EBITDA-marginal. %	9,2	6,6	12,3	13,9	16,8	3,7
Financial items	-38,0	-36,5	-35,7	-41,9	-40,5	-36,6
Profit/loss before tax	-19,0	-28,9	-361,6	-140,4	65,2	-61,3
Profit/loss for the period	-22,0	-29,7	-334,1	-150,7	41,0	-49,9
Cash-flow from operations	19,7	-86,5	89,4	79,1	13,6	-50,6
Operating cash-flow	6,0	-101,9	72,2	75,0	8,2	-60,3
Cash-flow for the period	-7,3	-115,1	60,0	61,2	-31,6	-41,1
Balance sheet total at the end of the period	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	198,3	205,6	320,7	263,4	202,7	240,3
Inventories at the end of the period	632,7	598,4	551,3	556,5	486,6	539,9
Equity at the end of the period	48,2	63,3	62,6	437,3	588,8	558,1
Net debt	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	581	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 30 June 2021 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 21.1 (31.9) million and derivative contracts with negative values amounted to SEK 18.9 (9.8) 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	3 MONTHS	6 MONTHS	6 MONTHS
GROSS PROFIT, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Net sales	852,9	763,1	1 683,2	1 403,6
Cost of goods sold	-392,9	-345,4	-801,4	-671,6
Gross profit	460,0	417,7	881,8	732,0

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	3 MONTHS	6 MONTHS	6 MONTHS
GROSS MARGIN %	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Gross profit, in MSEK	460,0	417,7	881,8	732,0
Net sales, in MSEK	852,9	763,1	1 683,2	1 403,6
Gross margin	53,9	54,7	52,4	52,1

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	3 MONTHS	6 MONTHS	6 MONTHS
OPERATING PROFIT/LOSS, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Profit/loss before tax, in MSEK	-19,0	65,2	-47,9	3,9
Financial items, in MSEK	-38,0	-40,5	-74,5	-77,1
Operating profit/loss	19,0	105,7	26,6	81,0

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

	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS
OPERATING MARGIN %	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Operating profit/loss, in MSEK	19,0	105,7	26,6	81,0
Net sales, in MSEK	852,9	763,1	1 683,2	1 403,6
Operating margin	2,2	13,9	1,6	5,8

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

	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS
EBITA, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Operating profit/loss	19,0	105,7	26,6	81,0
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,9	23,9	47,8	47,8
EBITA	42,9	129,6	74,4	128,8

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

	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS
EBITDA, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Operating profit/loss	19,0	105,7	26,6	81,0
Amortization, depreciation and impairment	47,6	47,1	94,9	93,5
EBITDA	66,6	152,8	121,6	174,5

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

	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS
ADJUSTED EBITA, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Operating profit/loss	19,0	105,7	26,6	81,0
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,9	23,9	47,8	47,8
Non-recurring items				
Strategic costs	11,7	0,0	11,7	0,0
Acquisition-related costs	0,0	-25,0	0,0	-24,2
Unused storage areas	0,0	0,2	0,0	1,1
Adjusted EBITA	54,6	104,8	86,1	105,7

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	3 MONTHS	6 MONTHS	6 MONTHS
ADJUSTED EBITDA, AMOUNT IN MSEK	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Operating profit/loss	19,0	105,7	26,6	81,0
Amortization, depreciation and impairment	47,6	47,1	94,9	93,5
EBITDA	66,6	152,8	121,6	174,5
Non-recurring items				
Strategic costs	11,7	0,0	11,7	0,0
Acquisition-related costs	0,0	-25,0	0,0	-24,2
Unused storage areas	0,0	0,2	0,0	1,1
Adjusted EBITDA	78,3	128,0	133,3	151,4

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	3 MONTHS	6 MONTHS	6 MONTHS
ADJUSTED EBITA MARGIN, %	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Net sales	852,9	763,1	1 683,2	1 403,6
Adjusted EBITA	54,6	104,8	86,1	105,7
Adjusted EBITA- margin	6,4	13,7	5,1	7,5

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

	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS
ADJUSTED EBITDA MARGIN, %	APR – JUN 2021	APR – JUN 2020	JAN – JUN 2021	JAN – JUN 2020
Net sales	852,9	763,1	1 683,2	1 403,6
Adjusted EBITDA	78,3	128,0	133,3	151,4
Adjusted EBITDA- margin	9,2	16,8	7,9	10,8

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

NET DEBT, AMOUNT IN MSEK	2021-06-30	2020-06-30	2020-12-31
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 460,8	1 448,3	1 454,5
Interest-bearing liabilities, short-term	0,0	0,0	0,0
Cash and cash equivalents	-198,3	-202,7	-320,7
Net debt	1 262,6	1 245,6	1 133,8

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 indebted its business.

	3 MONTHS APR – JUN 2021	3 MONTHS APR – JUN 2020	6 MONTHS JAN – JUN 2021	6 MONTHS JAN – JUN 2020
OPERATING CASH FLOW, AMOUNT IN MSEK				
Cash flow from operating activities	19,7	13,6	-66,8	-37,0
Cash flow from investments	-13,7	-5,4	-29,1	-15,0
Operating cash flow	6,0	8,2	-95,9	-52,0

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, 17 August 2021

Paul Lembrechts
CEO

FUTURE REPORTING AND EVENTS

Interim report third quarter 2021

30 November 2021

The interim report will be published and available at Ellos Groups website, www.ellosgroup.com. 17th of August 2021.

FOR FURTHER INFORMATION

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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 17th of August 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

