

ELLOS GROUP

FNG Nordic AB (publ) group**

INTERIM REPORT JANUARY – MARCH 2022

"Ellos Group maintains last year's sale level despite an uncertain world"

THE FIRST QUARTER 2022

- Net sales increased by 3.5 % to SEK 859.3 (830.3) million. Currency effects had a positive effect on growth of 2.0 %.
- The gross margin increased to 51.4 (50.8) %.
- Adjusted EBITA* amounted to SEK 15.0 (31.4) million. The adjusted EBITA margin* stood at 1.7 (3.8) %.
- The operating profit/loss* amounted to SEK -23.2 (7.5) million. The operating margin* was -2.7 (0.9) %.
- Cash flow from operating activities amounted to SEK -103.8 (-86.5) million.
- Cash and cash equivalents amounted to SEK 158.1 (205.6) million.

FINANCIALS KPI'S, AMOUNT IN MSEK	3 MONTHS	3 MONTHS	Change
	JAN - MAR 2022	JAN - MAR 2021	
Net sales	859,3	830,3	3,5%
Gross margin, %	51,4	50,8	
Adjusted EBITA	15,0	31,4	-52,2%
Adjusted EBITA- margin, %	1,7	3,8	
Operating profit/loss	-23,2	7,5	-406,9%
Operating margin, %	-2,7	0,9	
Profit/loss for the period	-61,0	-38,3	-59,3%
Cash-flow from operations	-103,8	-86,5	-20,0%



* 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.

*** The first quarters of 2021 have been recalculated due to interest being calculated on the provision of SEK 401.4 million made. The first quarter was charged with SEK 8.6 million.

STATEMENT BY THE CEO OF FNG NORDIC AB (PUBL)

ELLOS GROUP MAINTAINS LAST YEAR'S SALE LEVEL DESPITE AN UNCERTAIN WORLD

Ellos Group continued to grow during the year's first quarter. Sales reached SEK 859 million, which corresponds to a growth of 3.5 per cent. This means that we have established a new, historically high sales level for the first quarter, where sales are approximately 35 per cent higher than the first quarter of 2020. Development is positive, despite some market shift towards brick-and-mortar shopping as Covid-19 restrictions have eased.

We strongly condemn Russia's war against Ukraine and our sympathy is with the Ukrainian people. We did not experience any direct effects from the war, but the difficult security policy situation has had some effect on consumer demand during the quarter. We also see that the indirect effects can be significant, and that higher inflation and the announced interest rate hikes may continue to have some dampening effect on demand.

Despite this, we have seen growth in virtually all of our markets. Home furnishings continued to grow. This is particularly gratifying in light of the very strong 2021 comparative quarter, although demand for home furnishings was somewhat weaker than we expected. On the other hand, we are now seeing increased interest in our fashion offering as restrictions have eased and demand for clothing for social occasions is on the rise. We also note that the returns increased compared to a low volume trend during the Covid-19 pandemic.

We continued to experience high price inflation in digital marketing, as the rest of the industry does. Due to our successful efficiency improvements, our marketing costs in relation to sales decreased as compared with Q1 2021. We anticipate continued price inflation pressure in digital channel marketing.

During the quarter we continued to strengthen our customer offer and made advances in our sustainability journey. Ellos launched a swimwear collection in recycled materials, with all products included in Ellos's "A Better Choice" programme focused on increasing the use of sustainable materials. Ellos also launched several successful collaborations under the "Made by Women" initiative, including a bedding collection with Marie Olsson Nylander and a line of dresses with Johanna Toftby, both of which have been major commercial successes.

We have meanwhile increased our inventory as compared with the 2021 comparative period. This makes us less dependent on the global freight market, which remains challenging, and allows us to maintain a comprehensive, attractive offer for our customers. The current situation in China, with new Covid-19 outbreaks and lockdowns, is expected to continue and cause disruptions in production and supply chains. We are closely monitoring this development.

At the close of the first quarter, we announced that Ellos Group is sharpening its strategy, with greater focus on profitable growth, by increasing focus on our core customers – women in mid-life. We see enormous potential in capitalising on innovation and creativity to create a more attractive, sustainable, and comprehensive fashion and home offer to our core customers, with whom we enjoy a historically long relationship, strong position, and close dialogue. We therefore took the strategic decision to wind up Stayhard this year in August.

As we previously communicated, Nordic Capital will very likely be our owner once again. This is positive for Ellos Group. We have a good relationship with Nordic Capital, and together we are well placed to continue capitalising on growth and online demand.

We remain humble before the challenges in our world and sincerely hope that we will soon see an end to Russia's war against Ukraine. In the meanwhile, we have donated funds to the UNHCR and products to the refugee reception centre in Borås City. We remain focused on monitoring developments closely and still look positively to the future where we are well positioned in the market.

Hans Ohlsson, CEO



FIRST QUARTER 2022

SALES

Net sales for the period amounted to SEK 859.3 (830.3) million, which is an increase of 3.5 % compared to last year. Exchange rates have affected net sales positively by 2.0 %. It is worth noting that in a comparison with the first quarter of 2020, before Covid-19, net sales increased by SEK 218.8 million and 34.2 percent. Both fashion and home have contributed to this increase.

GROSS PROFIT

Gross profit for the period amounted to SEK 441.3 (421.7) million which is an increase of 19.6 million compared to last year. The gross margin increased by 0.6 percentage points compared with the same period last year and amounted to 51.4 (50.8) percent. The relatively strong sales development for Ellos Group's internal products is a contributing factor to this positive development.

OPERATING COSTS

Selling expenses amounted to SEK 337.7 (328.4) million which is an increase of 9.3 million compared to last year. In relation to net sales, sales costs decrease by 0.3 percentage points due to lower marketing costs. Selling expenses include amortization of acquisition-related intangible assets of SEK 23.6 (23.6) million.

Administrative expenses, which amounted to SEK 124.1 (98.9) million, increased by SEK 25.2 million. The increase can be explained, among other things, by an upward adjustment of the pension liability by SEK 13.5 (0.0) million and strategic expenses that amounted to SEK 1.1 (0.0) million.

Other income amounted to SEK 4.8 (13.7) million and other costs to SEK 7.5 (0.6) million. Both the reduced income and the increased costs are related to exchange rate changes.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 15.0 (31.4) million which means a decrease of SEK 16.4 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 0.4 (31.4) million, which is a decrease of SEK 31.0 million compared with the same period last year but an increase of SEK 14.1 million compared with the first quarter of 2020.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 4.8 (6.4) million and financial expenses amounted to SEK -47.7 (-51.4) million.

Income tax for the period amounted to 5.1 (-0.8) million.

NET PROFIT

Net profit for the period amounted to SEK -61.0 (-38.3) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 103.8 (-86.5) million. The cash flow includes bond loan interest expenses amounting to SEK 25.8 (26.4) million.

Inventories increased during the quarter by SEK -31.2 (56.4) million, which had a negative effect on cash flow.

Accounts payable decreased during the quarter by SEK 115.5 (33.5) million and has had a negative effect on cash flow.

Cash flow from investments totalled SEK -12.7 (-15.4) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK 78.3 (-13.2) million and mainly referred to changes in the group's revolving credit and lease liability.

Cash and cash equivalents amounted to SEK 158.1 (205.6) million.

Cash flow for the period totalled SEK -38.2 (-115.1) million.



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

Hans Ohlsson took over as CEO on 31 March 2022. He replaced Alain Hellebaut. Hans Ohlsson has previously been CEO of the companies in Ellos Group.

On March 29, the Group announced that the Stayhard brand will be phased out. The plan is to shut down Stayhard's operations per 31 August 2022.

FNG Nordic AB (publ) has since the outbreak of war on 24 February seen a slightly reduced frequency of visits to the Group's sites, which has also resulted in some negative impact on sales.

On 23 February, the Group announced in a press release that Nordic Capital, as the former owner of Ellos Group and the largest creditor in the Belgian parent company, as a consequence of the insolvency proceedings in Belgium, has begun a process to regain ownership of the FNG Nordic AB (publ) and its subsidiaries within Ellos Group to create the best possible conditions and future opportunities for the group. A change of ownership is conditional on the approval of the authorities.

FNG Nordic AB (publ) has on 17 February been informed that the company's parent company is initiating insolvency proceedings in Belgium. The Company and its subsidiaries are not part of the parent company's insolvency proceedings but continue their operations as before. The Company and its subsidiaries are independent of the parent company and are not dependent on the parent company to conduct their business.

On 15 February 2022, FNG Nordic AB (publ) has been informed that holders of the Company's listed bond loan have requested their agent to call for a written procedure. The purpose of the procedure is to amend the terms of the bond loan so to allow for a change of control in the Company and that the bondholders waive certain rights due to such change. On 18 February 2022 the changes were approved by the bondholders. The written procedure is not expected to affect the Company other than that it will enable the Company's existing financing to remain in the event of a change of control as set out above.

EVENTS AFTER CLOSING DATE

No significant events have occurred after the balance sheet date that need to be mentioned in this report.

NUMBER OF EMPLOYEES

As at 31 March 2022, the group had 612 (556) employees.

RISKS AND UNCERTAINTIES

The Group is exposed to several 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 2021 on pages 10-11 and 37-39.

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.

PLEDGED ASSETS

The group's assets pledged as collateral for financing from Swedbank AB (publ) and the issued bond are unchanged compared with 31 December 2021 and is described in the Group's annual report for 2021 on page 61.

The shares in the subsidiary Ellos Group AB will be pledged, in favor of the Group's bond loans and other credit facilities, similar to the shares in other companies within the Group.

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. This decision has been appealed, and the Group believes that there are good opportunities for a positive outcome. Further information can be found in the Group's annual report for 2021 on page 61.

PARENT COMPANY

The Parent Company's operating profit/loss amounted to SEK -0.5 (0.2) million for the first quarter. The Parent Company's income consists of intra-group services and the main costs was consultant costs. Net financial income/expense amounted to SEK -33.0 (-37.8) million for the first quarter and primarily comprised interest on issued bonds, interest on settlement amount and a change in value on synthetic options.

DISTRUBUTION OF NET SALES AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021	Change
Revenue from agreements with customers	777,3	748,6	3,8%
Additional purchase price Resurs Bank	82,0	81,7	0,4%
Net sales	859,3	830,3	3,5%

NET SALES PER COUNTRY WHERE THE CUSTOMER IS LOCATED, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021	Change
Sweden	453,9	449,6	1,0%
Norway	154,0	139,8	10,1%
Finland	131,4	127,2	3,3%
Denmark	64,2	76,2	-15,7%
Other Europe	55,8	37,5	48,8%
Net sales	859,3	830,3	3,5%

OTHER INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021	Change
Rental income	1,3	0,9	45,1%
Royalties	3,2	3,4	-5,0%
Exchange gain	0,0	8,8	-100,0%
Other	0,3	0,6	-52,9%
Other income	4,8	13,7	-65,1%

OTHER COSTS AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021	Change
Exchange loss	-7,5	-0,5	>-100%
Other costs	-7,5	-0,5	>-100%



CONSOLIDATED INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
Net sales	859,3	830,3
Cost of goods sold	-418,0	-408,6
Gross profit	441,3	421,7
Selling expenses	-337,7	-328,4
Administrative expenses	-124,1	-98,9
Other income	4,8	13,7
Other costs	-7,5	-0,6
Operating profit/loss	-23,2	7,5
Financial income	4,8	6,4
Financial costs	-47,7	-51,4
Financial items	-42,9	-45,0
Profit/loss before tax	-66,1	-37,5
Income tax	5,1	-0,8
Profit/loss for the period	-61,0	-38,3
Attributable to:		
Parent company's shareholders	-61,0	-38,3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
Profit/loss for the period	-61,0	-38,3
Items that can later be reversed to the income statement		
Translation differences for the period	-8,0	9,2
Cash-flow hedges change in value	-3,5	2,9
Cash-flow hedges returned to the income statement	-17,5	23,8
Tax effect	4,3	-5,5
Items that can later be reversed to the income statement	-24,7	30,5
Comprehensive income	-85,7	-7,9
Attributable to:		
Parent company's shareholders	-85,7	-7,9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, AMOUNT IN MSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets			
Goodwill	677,0	677,0	677,0
Trademarks	445,3	447,0	445,3
Customer relationships	441,4	536,0	465,0
Development expenditure	106,5	108,1	104,2
Right-of-use assets	544,1	535,2	491,0
Equipment, tools, fixtures and fittings	57,2	24,5	57,2
Investments in leased property	71,5	74,6	72,7
Constuction in progress within property, plant and equipment	0,7	17,9	0,1
Non-current receivables	6,6	3,8	6,4
Deferred tax assets	33,0	44,1	29,8
Total non-current assets	2 383,3	2 468,2	2 348,7
Current asset			
Inventories	769,9	585,3	738,6
Return assets	14,9	13,1	12,6
Accrued income	31,9	29,1	32,9
Trade receivables	46,7	46,4	44,0
Current receivables from group companies	12,8	12,8	12,8
Current tax assets	82,5	100,2	83,9
Derivate instruments	47,4	26,9	44,5
Other current receivables	45,2	3,2	47,9
Prepaid expenses	21,7	52,8	32,3
Cash & cash equivalents	158,1	205,6	196,3
Total current assets	1 231,1	1 075,4	1 245,8
TOTAL ASSETS	3 614,4	3 543,6	3 594,5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, AMOUNT IN MSEK	2022-03-31	2021-03-31	2021-12-31
EQUITY AND LIABILITIES			
Share capital	0,5	0,5	0,5
Additional paid-in capital	679,9	679,9	679,9
Reserves	-35,4	-1,6	-10,8
Retained earnings including the profit/loss for the year	-790,5	-624,1	-729,4
Total Equity	-145,5	54,8	-59,8
Non-current liabilities			
Bond issue	1 470,3	1 457,6	1 467,2
Long-term lease liabilities	476,4	470,3	432,2
Other long-term liabilities	39,5	41,5	42,6
Deferred tax liabilities	184,7	202,4	195,7
Provision for pensions	176,6	165,2	163,0
Total non-current liabilities	2 347,5	2 337,0	2 300,7
Current liabilities			
Interest-bearing liabilities	93,2	0,0	0,0
Current lease liabilities	68,8	62,8	60,9
Trade payables	305,5	254,7	421,0
Current liabilities to Group companies	0,1	0,1	0,1
Current tax liabilities	26,8	55,5	49,0
Other provisions	456,6	409,9	446,2
Derivatives	54,2	34,6	23,6
Other current liabilities	123,1	77,9	114,4
Repayment liability	32,6	25,9	27,2
Accrued expenses	251,5	230,4	211,2
Total Current liabilities	1 412,4	1 151,8	1 353,6
Total liabilities	3 759,9	3 488,8	3 654,3
TOTAL EQUITY AND LIABILITIES	3 614,4	3 543,6	3 594,5

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 AT JANUARY 1, 2022	0,5	679,9	-10,2	-0,6	-729,4	-59,8
Comprehensive income						
Profit/loss for the period					-61,0	-61,0
Other comprehensive income						
Cashflow hedges						
Change in fair value for the year				-3,5		-3,5
Transferred to the income statement				-17,5		-17,5
Translation differences			-8,0			-8,0
Tax attributable to items in other comprehensive income				4,3		4,3
Other comprehensive income, after tax	0,0	0,0	-8,0	-16,7	0,0	-24,7
Comprehensive income	0,0	0,0	-8,0	-16,7	-61,0	-85,7
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, 2022	0,5	679,9	-18,2	-17,2	-790,5	-145,5

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 AT JANUARY 1, 2021	0,5	679,9	12,3	-44,3	-585,7	62,6
Comprehensive income						
Profit/loss for the period					-38,3	-38,3
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		-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	-38,3	-7,9
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, 2021	0,5	679,9	21,5	-23,1	-624,1	54,8

CONSOLIDATED CASH FLOW STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
Cash-flow from operations before changes in working capital	-30,8	-11,3
Cash-flow from changes in working capital	-73,0	-75,2
Cash-flow from operations	-103,8	-86,5
Investments		
Acquisition of intangible fixed assets	-9,0	-3,8
Acquisition of tangible fixed assets	-3,4	-11,2
Acquisition of financial fixed assets	-0,3	-0,4
Cash-flow from investments	-12,7	-15,4
Financing activities		
Payment of lease liabilities	-14,8	-13,2
Change of revolving credit	93,1	0,0
Cash-flow from financing activities	78,3	-13,2
Cash-flow for the period	-38,2	-115,1
Cash and cash equivalents at beginning of period	196,3	320,7
Exchange rate difference in liquid assets	0,0	0,0
Cash and cash equivalents at end of period	158,1	205,6



PARENT COMPANY INCOME STATEMENT, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
Net sales	1,3	5,2
Gross profit	1,3	5,2
Administrative expenses	-1,8	-4,9
Operating profit	-0,5	0,2
Financial items		
Interest income	5,9	2,6
Interest costs	-38,9	-40,4
Financial items	-33,0	-37,8
Profit/loss after financial costs	-33,5	-37,6
Profit/loss before tax	-33,5	-37,6
Income tax	-0,6	0,7
Profit/loss for the period	-34,1	-36,9

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME, AMOUNT IN MSEK	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
Profit/loss for the period	-34,1	-36,9
Comprehensive income	-34,1	-36,9



PARENT COMPANY'S BALANCE SHEET, AMOUNT IN MSEK	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Fixed assets			
Shares in subsidiaries	2 369,8	1 669,3	2 369,8
Deferred tax assets	0,0	1,2	0,0
Long-term receivables	0,0	2,4	0,0
Total Fixed assets	2 369,8	1 672,9	2 369,8
Current assets			
Receivables from group companies	243,0	343,3	272,8
Tax assets	0,0	0,2	0,1
Other current assets	0,2	0,0	0,0
Prepayments and accrued income	0,2	0,1	0,5
Cash and bank	6,4	2,6	3,2
Total Current assets	249,8	346,2	276,5
TOTAL ASSETS	2 619,6	2 019,1	2 646,3
EQUITY AND LIABILITIES			
Equity			
Restricted equity	0,5	0,5	0,5
Non-restricted equity	641,1	86,2	675,2
Total Equity	641,6	86,7	675,7
Long-term liabilities			
Bond issue	1 470,3	1 457,6	1 467,1
Long-term liabilities	31,2	39,7	34,7
Total Long-term liabilities	1 501,5	1 497,3	1 501,8
Current liabilities			
Accounts payable	0,1	0,0	0,9
Liabilities to group companies	0,1	0,0	1,9
Tax liabilities	0,4	0,0	0,0
Other provisions	456,6	409,9	446,2
Other current liabilities	0,0	1,9	0,3
Accrued expenses and prepaid income	19,3	23,2	19,5
Total Current liabilities	476,5	435,0	468,8
TOTAL EQUITY AND LIABILITIES	2 619,6	2 019,1	2 646,3

FINANCIALS KPI'S, AMOUNT IN MSEK	3 MONTHS JAN -MAR 2022	3 MONTHS OKT - 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	859,3	1 059,3	846,6	852,9	830,3	993,3	778,0	763,1	640,5
Gross profit	441,3	535,7	426,1	460,1	421,7	517,9	252,5	417,7	314,3
Gross margin. %	51,4	50,6	50,3	53,9	50,8	52,1	32,5	54,7	49,1
Adjusted gross profit	441,3	535,7	426,1	460,0	421,7	517,9	411,1	417,7	314,3
Adjusted gross margin. %	51,4	50,6	50,3	53,9	50,8	52,1	52,8	54,7	49,1
EBITA	0,4	35,2	30,5	42,9	31,4	-302,0	-74,6	129,6	-0,8
Adjusted EBITA	15,0	38,9	36,4	54,6	31,4	99,4	85,0	104,8	0,9
Adjusted EBITA-margin. %	1,7	3,7	4,3	6,4	3,8	10,0	10,9	13,7	0,1
EBITDA	27,2	60,1	54,6	66,6	54,8	-279,6	-51,3	152,8	21,7
Adjusted EBITDA	41,8	63,7	60,6	78,3	54,8	121,8	108,3	128,0	23,4
Operating profit/loss	-23,2	10,4	6,6	19,0	7,5	-325,9	-98,5	105,7	-24,7
Operating margin. %	-2,7	1,0	0,8	2,2	0,9	-32,8	-12,7	13,9	-3,9
Financial items	-42,8	-59,7	-22,2	-50,1	-45,1	-35,7	-41,9	-40,5	-36,6
Profit/loss before tax	-66,1	-49,3	-15,7	-31,0	-37,5	-361,6	-140,4	65,2	-61,3
Profit/loss for the period	-61,0	-57,4	-18,4	-34,0	-38,3	-334,1	-150,7	41,0	-49,9
Cash-flow from operations	-103,9	43,5	7,1	19,7	-86,5	89,4	79,1	13,6	-50,6
Cash-flow for the period	-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	3 614,4	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	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	769,9	738,6	743,3	624,0	585,3	528,9	536,2	470,4	525,4
Equity at the end of the period	-145,5	-59,8	30,5	27,6	54,8	62,6	437,3	588,8	558,1
Net debt	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	612	604	585	581	556	551	522	521	530

* The first and second quarters of 2021 have been recalculated due to interest being calculated on the provision of SEK 401.4 million made. The first quarter was charged with SEK 8.6 million and the second quarter with SEK 12.0 million.

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 BV, 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 2021.

New and changed amendments together with new interpretations which come into effect on 1 January 2022 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 2021 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 2021 for FNG Nordic AB.

5. FAIR VALUE FINANCIAL INSTRUMENTS

The group's financial instruments measured at fair value as at 31 March 2022 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 47.4 (26.9) million and derivative contracts with negative values amounted to SEK 54.2 (34.6) 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 2022	3 MONTHS JAN - MAR 2021
GROSS PROFIT, AMOUNT IN MSEK		
Net sales	859,3	830,3
Cost of goods sold	-418,0	-408,6
Gross profit	441,3	421,7

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 2022	3 MONTHS JAN - MAR 2021
GROSS MARGIN %		
Gross profit, in MSEK	441,3	421,7
Net sales, in MSEK	859,3	830,3
Gross margin	51,4	50,8

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 2022	3 MONTHS JAN - MAR 2021
EBITA, AMOUNT IN MSEK		
Operating profit/loss	-23,2	7,5
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,6	23,9
EBITA	0,4	31,4

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

	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
ADJUSTED EBITA, AMOUNT IN MSEK		
Operating profit/loss	-23,2	7,5
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23,6	23,9
Non-recurring items		
Strategic costs	1,1	0,0
Increase i PRI pension liabilities	13,5	0,0
Adjusted EBITA	15,0	31,4

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 2022	3 MONTHS JAN - MAR 2021
ADJUSTED EBITA MARGIN, %		
Net sales	859,3	830,3
Adjusted EBITA	15,0	31,4
Adjusted EBITA- margin	1,7	3,8

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

	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
ADJUSTED EBITDA, AMOUNT IN MSEK		
Operating profit/loss	-23,2	7,5
Amortization, depreciation and impairment	50,4	47,3
EBITDA	27,2	54,8
Non-recurring items		
Strategic costs	1,1	0,0
Increase in PRI pension liabilities	13,5	0,0
Adjusted EBITDA	41,8	54,8

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 2022	3 MONTHS JAN - MAR 2021
OPERATING PROFIT/LOSS, AMOUNT IN MSEK		
Profit/loss before tax	-66,1	-37,5
Financial items	-42,9	-45,0
Operating profit/loss	-23,2	7,5

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

	3 MONTHS JAN - MAR 2022	3 MONTHS JAN - MAR 2021
OPERATING MARGIN %		
Operating profit/loss, in MSEK	-23,2	7,5
Net sales, in MSEK	859,3	830,3
Operating margin	-2,7	0,9

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

	2022-03-31	2021-03-31	2021-12-31
NET DEBT, AMOUNT IN MSEK			
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 470,3	1 457,6	1 467,2
Interest-bearing liabilities, short-term	93,2	0,0	0,0
Cash and cash equivalents	-158,1	-205,6	-196,3
Net debt	1 405,4	1 252,0	1 270,9

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities and lease liabilities.

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.

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.

* Definition according to IFRS



ASSURANCE OF 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, 11 May 2022

The Board of Directors

FUTURE REPORTING AND EVENTS

Annual General Meeting
Interim report second quarter 2022

17 May 2022
31 August 2022

The interim report will be published and available at Ellos Groups website, www.ellosgroup.com. May 11, 2022.

FOR FURTHER INFORMATION

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

FOR TRANSLATION PURPOSES ONLY

*This is information that FNG Nordic AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.
The information was submitted for publication, through the agency of the contact person set out above,
at 08.30 CEST on May 11, 2022.*

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 and in selected markets in Europe.

www.ellosgroup.com

