



ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS 2025

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COMMENTS FROM THE CEO

GROWTH, STRENGTHENED PROFITABILITY AND A STRONG FOUNDATION FOR THE NEXT PHASE OF GROWTH

In 2025, Ellos Group took several significant steps to strengthen its position as a leading shopping destination for fashion and home furnishings in the Nordic region. With new owners, secured long-term financing, and a clear customer focus, we have established a strong foundation for 2026 and our next phase of growth.

For the full year, net sales amounted to approximately SEK 3.5 billion, representing an increase of just over 4 percent. The year was characterised by a growing business and a clear improvement in both profitability and cash flow. We saw stable and broad-based growth across all our e-commerce platforms, with both the fashion and home segments developing positively. The inflow of new customers continued to increase, demonstrating that our long-term efforts to sharpen our customer offering towards our core customer are delivering results.

We continue to strategically develop our own internal brands. This means creating and presenting a unique offering tailored to our core customer, with our concept “the woman in mid-life” at the centre. Growth and margins are strong, and we see that our internal brands contribute to attracting and acquiring new customers both in the Nordic region and across the rest of Europe. We also note solid demand in external channels such as Zalando and Amazon.

Our international expansion also developed strongly during the year. Jotex continues to grow in Europe, particularly within the textile segment. During the year, Ellos also expanded into new markets outside the Nordic region by launching its fashion offering in Germany and the Netherlands as the first markets.

One of our key priorities during the year has been to increase operational efficiency. Through AI-based initiatives, we have automated processes and strengthened our internal tools with improved data and insights, enabling more targeted offerings and an enhanced customer experience. Working smarter and more efficiently is a continuous and long-term effort that will be even more important going forward.

Sustainability is a central part of our operations, and during the year we continued to work purposefully with our climate transition plan. We also participated in the launch of the European retail collaboration “The Industry We Want”, a European retail initiative in which Ellos Group actively contributes to establishing a common, OECD-aligned due diligence process and standardising data collection, with the aim of reducing double reporting and strengthening transparency and future compliance with CSRD.

At year-end, we took an important step in our financial strategy by securing new long-term financing. This strengthens our capital structure and creates favourable conditions for continuing to develop our strategic priorities.

Throughout the year, our employees have demonstrated strong commitment and a clear willingness to grow and develop together. Their efforts and collaboration are crucial to Ellos Group’s continued success.

Despite geopolitical uncertainty, we remain positive about the conditions for continued development of our business during 2026. Our strategy remains unchanged: to continuously improve the offering to our core customer and to drive profitable growth.

With a strong year behind us, characterised by both growth and improved profitability, I look forward to continuing our journey in 2026.

Hans Ohlsson
CEO and Group President Ellos Group



DIRECTORS' REPORT

BUSINESS DESCRIPTION

The Board of Directors and CEO of Ellos Holding AB (publ), company registration number 559495-4116, whose registered office is in Borås, Sweden, hereby present the annual report and consolidated financial statements for the year 2025.

INFORMATION ON BUSINESS ACTIVITIES

The Ellos Group was formed on October 15, 2024, when the parent company Ellos Holding AB (publ), company registration number 559495-4116, acquired all shares in the subsidiary Ellos Group Nordic AB (publ), company registration number 559318-3618.

The Group conducts e-commerce business on the three e-commerce sites Ellos, Jotex and Homeroom. The business, founded in 1947, is conducted in wholly-owned companies in Sweden, Norway, Finland and Denmark.

Ellos primarily offers fashion and home interiors through its own brands but also via a number of external brands. Jotex focuses on self-designed modern home interiors, while Homeroom is a dropship-based platform selling home interiors through the Group's own brands and a large range of external brands. The Group's activities rest on a common e-commerce platform on which the three e-commerce sites are commercially independent while simultaneously allowing the Group to benefit from economies of scale, for instance through coordinated procurement, logistics, payment solutions and customer service. The Group's head office is based in Borås, which is also where warehousing and logistics facilities that support all markets are located.

Ellos Group offers customers various payment methods through a collaboration with third parties under the own brand Elpy. Instalment payments, interest-free instalment payments, and invoices are some of the payment methods offered.

Parent company

The parent company Ellos Holding AB (publ) was registered on September 3, 2024.

The parent company's operations include management and administrative services to the Group's other companies as well as the management of shares in subsidiaries.

RESULTS OF THE GROUP

	2025-01-01	2024-10-15
SEK M, UNLESS OTHERWISE STATED	-2025-12-31	-2024-12-31
Net sales	3,463.7	997.8
Gross profit	1,509.9	400.7
Gross margin* (%)	43.6	40.2
Adjusted EBITA*	219.0	34.3
Adjusted EBITA-margin* (%)	6.3	3.4
Operating profit*	147.0	19.9
Operating margin* (%)	4.2	2.0
Profit/loss for the period	33.1	-71.6
Adjusted cash flow from operating activities	172.8	35.7

*See page 136 for definitions.

Net sales

Net sales for the period amounted to SEK 3,463.7 (997.8) million of which 53.8 (54.5) % referred to customers in Sweden. The net sales are distributed among revenues from e-commerce sales to customers, invoiced fees for services such as shipping, royalties for the use of Ellos product collections, and additional purchase price from the sale of invoice and instalment receivables.

Cost of goods sold

The cost of goods sold amounted to SEK 1,953.8 (597.1) million for the period. The cost of goods sold includes all costs for purchasing and distributing products to customers. The costs included in addition to the cost of goods for the products are, for example, shipping, customs, environmental fees, storage costs and costs for distributing goods to customers.

Gross profit

Gross profit for the period amounted to SEK 1,509.9 (400.7) million and the gross margin amounted to 43.6 (40.2) %.

Operating costs

Selling expenses amounted to SEK -925.6 (-252.6) million. The selling expenses mainly include costs for personnel handling goods within the group's logistics facility, marketing costs, costs for customer service and the market function, as well as IT costs related to sales. The item also includes amortisation of acquisition-related customer relations of SEK 68.9 (14.4) million.

Administration expenses amounted to SEK -463.7 (-124.1) million. The administrative expenses include costs for the group's central functions as product, sourcing, IT, finance, people & culture as well as costs for office premises, return handling, and management and also IT costs for administrative systems.

Other income and expenses

Other income amounted to SEK 36.0 (6.9) million and other expenses to SEK -9.6 (-11.0) million, of which the other expenses mainly refer to exchange rate losses on the translation of foreign receivables and liabilities.

EBITA

Adjusted EBITA amounted to SEK 219.0 (34.3) million with an EBITA margin of 6.3 (3.4) %.

Financial items

Financial income amounted to SEK 20.7 (2.9) million and financial expenses amounted to SEK -120.1 (-95.8) million. Financial expenses mainly comprise interest expenses on bond loans amounting to SEK 79.5 million, interest expenses on lease liabilities of SEK 12.7 million, and other financial expenses of SEK 27.9 million.

Tax

Income tax for the period amounted to SEK -14.4 (1.4) million of which SEK -31.7 (-0.3) million pertains to current tax and SEK 17.3 (1.7) million pertains to deferred tax.

Profit/loss

Profit/loss for the period amounted to SEK 33.1 (-71.6) million.

Cash flow

Cash flow from operating activities amounted to SEK 339.3 (35.7) million. The cash flow includes bond loan interest expenses amounting to SEK 79.5 (53.4) million.

The inventory increased during the financial year with SEK 102.6 million which had a negative impact on cash flow. Inventory amounts to SEK 764.3 (661.7) million at the end of the year. Accounts payable increased during the period by SEK 21.9 million and had a positive effect on cash flow.

Cash flow from investing activities totalled SEK -18.5 (1.3) million of which SEK -9.6 (-7.0) million pertains to acquisition of intangible fixed assets, SEK -8.1 (-1.6) million to acquisition of tangible fixed assets and SEK -0.9 (-0.3) million to change of financial fixed assets.

Cash flow from financing activities amounted to SEK -287.7 million (145.3) and mainly comprises repayments of bond loans of SEK -413.8 million, utilisation of credit facilities amounting to SEK 200.0 million, and repayments of lease liabilities of SEK -73.8 million.

Cash and cash equivalents amounted to SEK 188.3 (182.3) million at the end of the period and cash flow for the period totalled SEK 33.2 (182.3) million.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The Group has secured long-term financing through a revolving credit facility of SEK 400 million with a maturity of three years, entered into with DNB Sweden AB. In connection therewith, outstanding bonds amounting to SEK 413.8 million were repaid.

At an extraordinary general meeting held on 29 October 2025, Mariette Kristensson was elected as a new member of the Board of Directors, and a decision was taken to implement a share-based incentive programme for the Board, management and other key personnel.

RISKS AND UNCERTAINTIES IN OPERATIONS

The Group is exposed to risks that can affect operations and results. There is ongoing work in daily operations to identify, assess, and evaluate risks that may occur. The Group works proactively to reduce the risks. Most risk areas can be handled internally routines while others are controlled by external factors.

Main operational risks related to the group or industry which have been identified and which are deemed to have a significant the impact on the Group is reported below.

Competition

The market for online sales of fashion and home furnishing products is highly competitive, with both local and international players originating in both e-commerce and other retail sectors. A major player can establish itself, which can lead to major changes in market conditions. Increased competition can mean that the Group's market share decreases and that the group's profit margins fall. The Group has a mix of internal and external brands, which is an advantage from a competitive point of view, and the Group has a constant focus on strengthened and improved customer satisfaction.

Fashion trends and consumer preferences

The Group's success depends on the ability to identify and adapt to changing fashion trends and customer preferences, and to timely develop new and attractive products, especially with regard to sales of clothing. If the Group misjudges consumer trends or is unable to sell existing products, this could lead to surplus inventories of certain products, price reductions (leading to lower margins/reduced profit) and missed sales opportunities for other products. The Group's buyers and designers monitor and analyse the market and market trends on a continuous basis in order to be able to quickly respond to customers' expected future buying patterns and adapt the Group's purchases accordingly.

Weather and seasonal variations

Sales of clothing, in particular, are affected by changes in the weather. Unusual weather, particularly as the seasons change, for instance when summer turns into autumn, can adversely affect demand and the profitability of the Group's products. The Group has two large product groups, fashion and home furnishings, which to some extent differ from each other in terms of dependence on the weather and seasons, which could offer an opportunity to compensate for loss of sales in one area with stronger sales in another.

Economic situation

Changes in economic conditions and other macroeconomic factors affect operations and results by altering customers' consumption patterns and general willingness to buy. The high cost levels we

have experienced recently, both in Sweden and other countries where the Group operates, affect customer behaviour and purchasing patterns. The Group reviews its business in order to maintain and increase their market shares while improving customer satisfaction.

Import Restrictions and other conditions when purchasing goods

The Group uses external suppliers for goods purchases, mainly from Asia, and is thus exposed to changes and any import restrictions in these countries. This can affect the purchase prices and the supply of goods. Because the Group has suppliers in many different countries, the risk is mitigated to some extent.

Marketing

The Group needs to closely monitor and evaluate efficiency in the various marketing channels used. The Group is dependence on external actors in their market activities and that there is a risk that the cost of using different channels will not be met up to the efficiency desired by the group.

Payment solutions that include credit and consumer finance

The Group provides payment solutions, in cooperation with Resurs Bank AB, which include granting customers credit when purchasing the Group's products. Customers are also offered consumer financing, which is also done in cooperation with Resurs Bank AB. The Group is indirectly exposed to risks associated with credit granting within the framework of its operations. See Note 4 for further information.

Data integrity and control over digital infrastructure

The Group's operations as an e-commerce operator are highly dependent on secure IT and control systems. The e-commerce platform and IT systems used by the Group are continuously updated to match market requirements and to maintain satisfactory security in the company's digital structure. The Group is highly dependent on the security and functional performance of the e-commerce platform, which means that the Group's IT systems are carefully monitored to ensure operation and to detect any disruptions, attacks, or virus intrusions.

Disruptions in IT systems and cyberattacks

Ellos' operations are dependent on reliable IT systems that are well adapted to the needs of the business. The Group has made significant investments in IT and management systems. Despite ongoing improvements, maintenance, upgrades and support of these systems and processes, disruptions to operations cannot be ruled out, which could have a negative impact on the Group's financial position and results. There is also a risk that the company may be subject to cyberattacks, which could disrupt or halt the company's online operations. The company works continuously to prevent and mitigate cyberattacks.

Financial risk

The Group needs a certain level of liquidity to continue operating according to set goals. The available liquidity consists of both cash and the credits the Group has. There is a risk that the Group does not have a sufficiently large liquidity reserve to cover upcoming needs and that the Group's credits mature before a new credit provider has been identified. The risk is reduced through clear liquidity planning. The financial risks are further addressed in note 29.

Compliance with regulations

The Group's operations are subject to many different regulations, such as GDPR, trademark protection, and licensing requirements. The Group actively works to implement routines to ensure compliance with the regulations governing operations and has employees with relevant expertise to ensure the implementation and follow-up of internal routines to minimize this risk.

ANTICIPATED FUTURE PERFORMANCE

Ellos Group remains positive about the future despite geopolitical uncertainty, with war in Europe and a challenging economic environment. Ellos Group has a range that includes both fashion and home with products in different price ranges, which can be beneficial when the outside world is worried. Ellos Group continues to offer products tailored to the woman in mid-life, and we see strong opportunities for both sales and earnings growth in the years ahead.

APPROPRIATION OF LOSSES

The following funds (SEK) are at the disposal of the Annual General Meeting

Accumulated loss	-75,931,567
Profit/loss for the year	-34,683,764
	<hr/>
	-110,615,331

The Board of Directors proposes that the accumulated loss be appropriated as follows

Carried forward	-110,615,331
	<hr/>
	-110,615,331

With regard to the results and financial position of the Parent Company and the Group in other respects, reference is made to the accompanying financial statements.

All amounts are shown in million Swedish krona unless otherwise stated.



SUSTAINABILITY REPORT

EELLOS GROUP'S SUSTAINABILITY WORK DURING 2025

During the past year, Ellos Group has taken important steps to strengthen our position as one of the leading shopping destinations in the Nordics and to realise our vision of a business where sustainability is a natural and integrated part of the business strategy. Our efforts to build a more responsible and transparent value chain have continued, with particular emphasis on ensuring that our material choices and processes not only meet high environmental requirements but also contribute to long-term business value and growth. By combining style, functionality and consideration for both people and the planet, we are building a product range that can meet a changing world in which consumer expectations of the Group's responsibility continue to increase each year.

Ellos Group's sustainability strategy is closely linked to our overarching business plan for the coming years. Our transition plan, which is based on the Group's green house gas accounting for the 2020 base year, has the target of reducing the Group's total greenhouse gas emissions by 50 per cent by 2030. This is not only a response to the EU climate targets and the ambitions of the Paris Agreement but also a concrete guide for our business development. By collecting primary data on energy use from the majority of our Tier 1 suppliers, we have gained better insight into actual emissions and energy flows, enabling a more strategic and targeted direction for our climate efforts. This data-driven approach allows us to identify areas for improvement, set clear requirements and drive change at the pace needed to meet our targets – while also strengthening our position in the market.

A key achievement is the increasing share of certified materials in our products, the result of deliberate investments and priorities in product development. Certifications not only support safer and more traceable flows but, in many cases, also contribute to lower climate impacts and are therefore closely connected to our transition plan for reducing climate impacts.

Sustainability also extends beyond environmental aspects. It is equally about social responsibility and fair working conditions. Ellos Group assumes responsibility for the value chain and works purposefully to ensure that human rights and respect for individuals are upheld at every stage. We regard long-term collaborations and open dialogue with suppliers and partners as essential to driving positive change, both for Ellos Group and for the industry. By promoting transparency and accountability, we help build a more ethical and sustainable textile and home furnishings industry in which all actors can develop together.

An important initiative during the year is our active participation in "The Industry We Want" (TIWW), a European collaboration between leading e-commerce actors. The aim is to establish a common OECD-based due diligence process and to standardise the collection of Human Rights and Environment Due Diligence (HREDD) data, reducing duplicate reporting and improving transparency as well as regulatory compliance. This collaboration exemplifies how acting proactively and taking responsibility beyond our own operations can raise industry standards and create value for both businesses and society.

We are aware that the path towards a more sustainable future involves challenges, but we enter 2026 with confidence that knowledge-driven work and a commitment to sustainable solutions can make a real difference. Our strategy is based on integrating sustainability at the core of the business and continuously developing our processes in line with changes in the external environment. By combining commercial drive with a genuine responsibility for the environment and people, we create the conditions for long-term growth and profitability and contribute to a future in which Ellos Group stands for sustainable leadership.

This sustainability report summarises the year's key progress and shows how we continue to develop the business towards a more sustainable future for the entire Ellos Group. We are convinced that sustainability and business development go hand in hand and that a responsible company remains strong even when the market changes.

Johan Kromer
Sourcing & Sustainability director Ellos Group



"By promoting transparency and accountability, we contribute to creating a more ethical and sustainable textile and home furnishings industry, where all stakeholders can grow together."

GENERAL INFORMATION

ESRS 2 | GENERAL DISCLOSURES

BP-1 GENERAL BASIS FOR PREPARATION OF THE SUSTAINABILITY STATEMENT

Ellos Group's sustainability report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as defined in the EU Corporate Sustainability Reporting Directive (CSRD). The sustainability report covers Ellos Holding AB (publ) and its subsidiaries for the period 1 January 2025 to 31 December 2025 and has been prepared on the same consolidated basis as the Group's financial report for 2025.

The sustainability report covers all activities within the Ellos Holding AB (publ) Group, hereinafter referred to as "Ellos Group" or "the Group" in the sustainability report, and includes all of the Group's brands: Ellos, Jotex, Homerom and Elpy. The entire value chain, both upstream and downstream, has been considered in the assessment of material topics. For each individual sustainability topic, it is described to what extent the Group's policies, actions and targets apply to the value chain in the section where the topic is presented.

No information regarding intellectual property rights, know-how or innovation has been omitted, nor has any information on upcoming developments or matters currently under negotiation been excluded.

BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Time horizons

This statement follows the time frames outlined below, unless otherwise stated

Short term = 1 year (2026)

Medium term = 2–5 years (2027-2030)

Long term > 5 years (2031-)

Assessments and estimates

Ellos Group has included value chain data in its calculations of greenhouse gas emissions, some of which are based on estimates. Metrics that involve estimated data are described in more detail in E1-6 Gross Scopes 1, 2, 3 and total GHG emissions.

Scope 3 greenhouse gas emissions are considered to be subject to a certain degree of measurement uncertainty. The calculation is carried out using a combination of primary data sources, such as waste and transport data, and recognised secondary data sources, such as emission factors and industry-average data. For emissions related to purchased goods and services, estimates of material composition are made where product data is incomplete in order to ensure full coverage of emissions from purchased products. The emission figures for employee commuting are based on survey results and are extrapolated to correspond to the entire workforce. Details on the basis for how estimated value chain data has been generated, and the resulting level of uncertainty are described in section E1-6 Gross Scopes 1, 2, 3 and total GHG emissions.

The use of secondary data sources and estimates result in less precise information than if only primary sources had been used. The Group is continuously working to reduce the inherent measurement uncertainty through, for example, the collection and storage of product data. A new product data system is being implemented and is expected to enable more reliable calculations in the future.

Estimates and assessments are regularly reassessed based on experience, developments in ESG reporting and other factors. Changes in estimates are recognised in the period in which the estimate is revised.

Changes in preparation or presentation of sustainability information

This is the first year the Group has prepared a sustainability statement in accordance with ESRS. The report has been reviewed by a third party.

Reporting errors in prior periods

No material errors in the reporting of previous periods have been identified.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The sustainability statement includes disclosures in accordance with Article 8 of the Taxonomy Regulation, which are presented first in the environmental information section. Apart from the Taxonomy disclosures, the Group has not included information in the sustainability statement that originates from other legislation, standards or frameworks for sustainability reporting.

Incorporation by reference

The Group has not used incorporation by reference for any disclosure requirements or data points.

Phased-in disclosure requirements

In accordance with ESRS 1 “Appendix C List of phased-in disclosure requirements”, certain information is omitted during this first year in which the Group reports in accordance with ESRS. The instances where the Group has made use of the phase-in options are set out in IRO-2 Disclosure requirements in ESRS standards covered by the undertaking’s sustainability statement.

Material sustainability topics omitted from this year’s statement

Biodiversity and ecosystems has been identified as a material topic for Ellos Group.

The Group is not reporting on biodiversity and ecosystems in this year’s environmental information section. Below is a brief description of how the Group’s business model and strategy address the identified impacts within this topic, together with an outline of relevant policies, and details on the metrics and targets used.

The impact that Ellos Group’s operations have on the environment is primarily located in the Group’s upstream value chain, for example through the sourcing of timber and cotton, but is also present in the production processes of the Group’s products. Ellos Group views biodiversity as a priority area and actively works to increase the use of certified materials, such as organic cotton and FSC-certified wood, to contribute to more sustainable development. At the same time, there is an awareness that this is a complex area, and the Group is mindful of the need to expand its knowledge in order to make a real difference and reduce its negative impact. The Group’s positions on sustainable materials, such as sustainable cotton and certified wood, can be found in Ellos Group’s Design Policy and Purchasing Policy.

The Group measures more sustainable cotton relative to total cotton in products within its own brands. This metric includes organic cotton, recycled cotton and cotton certified by the Better Cotton Initiative (BCI). Ellos Group has set a target to achieve 100 percent more sustainable cotton relative to total cotton in products within its own brands by 2025, and for 2025, the proportion was 96 percent (95).

The Group also measures the proportion of FSC-certified wood in furniture made from solid wood in products within its own brands, with a target of reaching 50 percent by 2025 and 100 percent by 2030. For 2025, the proportion was 69 percent (52).

GOV-1 THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

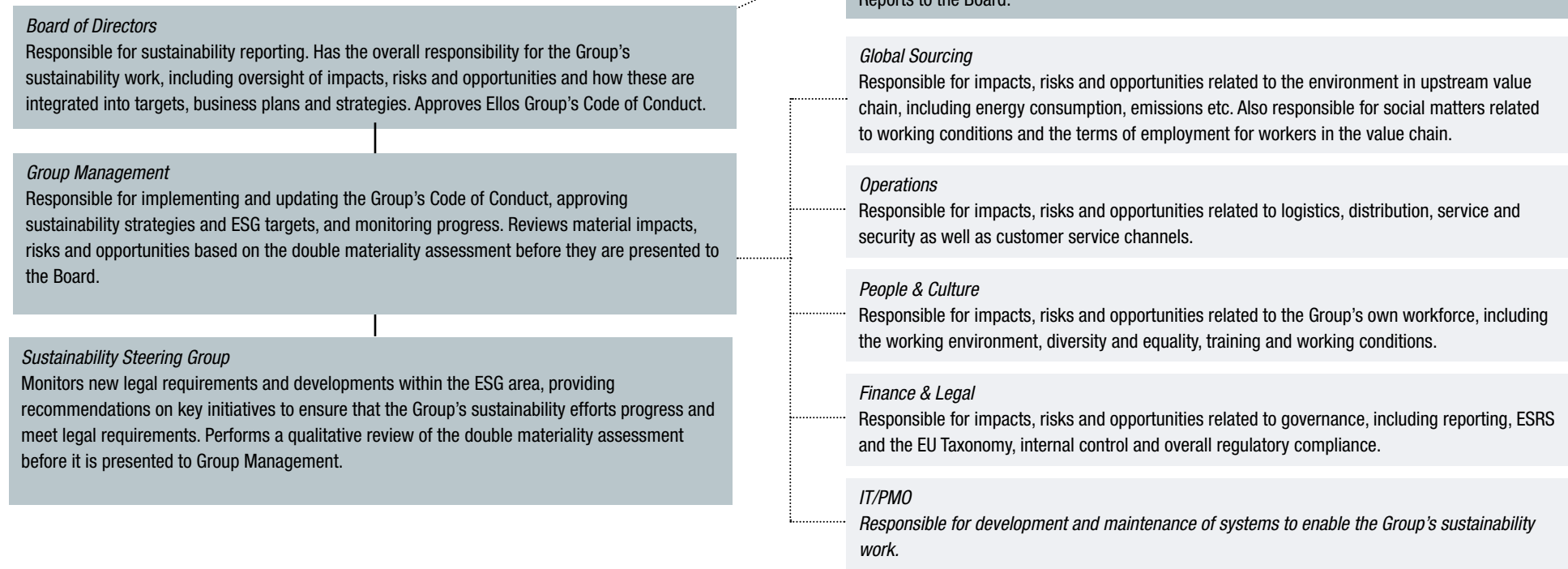
Sustainability is a natural and value-creating part of Ellos Group’s operations. A sustainable business approach with a long-term perspective challenges the Group’s employees to be innovative, responsible and transparent. The goal is to create value for customers, employees, business partners and owners, as well as for the communities in which the business operates. Ellos Group aims to contribute to a better world for future generations and strives to build a business that can be part of the solution.

Integration of ESG into the business

Group Management works together with various departments to integrate ESG aspects into the business, making sustainability a shared responsibility and a central part of the Group’s strategy. Key functions responsible for enabling and strengthening the Board’s oversight include the CEO, the CFO and the Sustainability Director. The CEO is responsible for sustainability-related matters at the highest level and ensures that sustainability aspects are integrated into the Group’s core values and long-term strategy. The CFO is responsible for ensuring that sustainability-related considerations are included in the Group’s financial practices and reporting processes. This includes responsibility for sustainability-related financial disclosures and for ensuring consistency and alignment between financial reports and other external communication. The CFO also plays a key role in coordinating financial and sustainability-related reporting. The Sustainability Director is responsible for overseeing sustainability matters and reports to the CEO. The role includes coordinating the management of sustainability matters and integrating sustainability into the Group’s core operations and strategy, including oversight of the Group’s impacts, risks and opportunities and the achievement of related targets. The Sustainability Director is also responsible for consolidating sustainability-related data at Group level and for leading the Group’s sustainability team, which collects, validates and reviews these data.

The operational responsibility for driving and developing the Group’s sustainability efforts, including systematically identifying, assessing, evaluating and managing impacts, risks and opportunities related to sustainability in accordance with the materiality assessment, is delegated to the Sustainability Manager, who reports to the Sustainability Director. The Sustainability Manager works closely with those in Group Management who have specific responsibility for the Group’s sustainability focus areas; the respective directors of the Group functions Global Sourcing, People & Culture, Operations, Finance & Legal and IT/PMO. Together with them, objectives and action plans are developed to address the Group’s material impacts, risks and opportunities. These form part of the overall business plan approved by Group Management and the Board. Responsibility for implementing these action plans and achieving related targets rests with the Group functions and business areas, which collaborate cross-functionally. Group Management and the Board are regularly informed by the Sustainability Director and the Sustainability Manager about the implementation of measures and progress in relation to targets and interim targets.

Ellos Group – ESG Governance Structure



Composition of the administrative, management and supervisory bodies

The Audit Committee consists of two Board members who are non-executive and independent of the companies within the Group. The proportion of women in the group as of the balance sheet date is 0 per cent (0).

The Board consists of five Board members, of whom two are employee representatives. The Board also includes the CEO. The employee representatives and the CEO are employed within the Group. The proportion of women on the Board as of the balance sheet date is 33 per cent (25). The proportion of Board members who are non-executive and independent of the companies within the Group is 60 per cent (40). Group Management consists of the CEO, Brand Directors and the directors responsible for each Group function. All eight individuals are employed within the Group. The proportion of women in Group Management as of the balance sheet date is 38 per cent (33).

The Sustainability Steering Group consists of the CEO, CFO, Sustainability Director, Sustainability Manager, Head of Accounting and Accounting Manager. All members are employed within the Group. The proportion of women in the group as of the balance sheet date is 50 per cent (50).

Mandate descriptions

There are currently no individual responsibilities for impacts, risks and opportunities set out in the Board's rules of procedure.

Sustainability-related expertise and competence

The Audit Committee, the Board, Group Management and the Sustainability Steering Group consist of individuals with diverse backgrounds, education and experience, which together provide broad expertise in matters related to ESG.

The Board conducts an annual evaluation of its own competence, both at the individual level and as a group. An adequate level of competence is assessed to be present within the Board regarding environmental and social matters, responsible business conduct and the assessment of the Group's impacts, risks and opportunities. The Board aims to further increase competence in sustainability and in the areas where Ellos Group has identified material impacts going forward.

The Board oversees that Group Management has appropriate competence in sustainability matters by ensuring that sustainability impacts, risks and opportunities are integrated into the business processes. Group Management includes the Group's Sustainability Director, People & Culture Director, CFO and CEO, each with specific expertise in the ESG areas where the Group has identified material impacts and risks, such as emissions, human rights, HR, finance and legal matters and business conduct, including anti-corruption, whistleblowing and compliance. These individuals receive continuous further training within their respective professional areas.

In addition to internal expertise within the Board, Group Management and the Sustainability Steering Group, the Group has access to external expertise through collaborations with sustainability consultants and various industry organisations working in sustainability. External expertise is leveraged when needed.

GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Board, the Audit Committee and Group Management receive updates from the Sustainability Director and the Sustainability Manager three times a year regarding business and operational sustainability risks, including changes in material impacts, risks and opportunities, the outcomes of due diligence processes as well as the status of actions taken, metrics and targets. Where applicable, updates to the Group's business ethics policies are also reported to the Board for approval. Responsibility for ensuring that the policies are implemented and remain up to date and fit for purpose lies with the position responsible for each respective policy.

The Board and Group Management consider sustainability impacts, risks and opportunities as part of their oversight of the Group's strategy. This means that ESG matters are taken into account when decisions are made on major transactions and in the overall risk management process. The Board and Group Management also make trade-offs within sustainability matters and take decisions that balance short-term operational needs with long-term sustainability targets.

All material impacts and the risks and opportunities identified in the double materiality assessment have been addressed by Group Management and the Board during the reporting period. A list of material impacts, risks and opportunities can be found under SBM-3 Material impacts, risks and opportunities and their relationship to strategy and business model.

Ellos Groups' business conduct guidelines and governing documents within ESG

	Policy	Ansvarig	Godkänns av
Business conduct guidelines	Environmental Policy	Sustainability Director	The Board
	Product Policy	Sourcing Director	The Board
	Anti-Bribery and Anti-Corruption Policy	CFO	The Board
	Sponsorship Policy	People & Culture Director	The Board
	Whistleblowing Policy	People & Culture Director	The Board
	Trade Sanctions Policy	Sourcing Director	The Board
	Competition Policy	CFO	The Board
	Data Protection Policy	CFO	The Board
	Equality and Diversity Policy	People & Culture Director	The Board
	Human Rights Policy	Sustainability director	Styrelse
Suppliers' Code of Conduct	Sustainability Director	Styrelse	
Other governing documents	Purchasing Policy	Sourcing Director	Group Management
	Design Policy	Sustainability Director	Group Management
	Occupational Health and Safety Policy	People & Culture Director	Group Management
	Remuneration Policy	People & culture director	Group Management

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The members of Group Management who participate in the Group's incentive programme have targets linked to sustainability. The targets are individually designed. The purpose is to motivate strategic decisions that enables progress towards the Group's short-term and long-term sustainability goals, thereby steering the business towards more sustainable development.

The target may, for example, relate to ensuring the existence of systems containing architecture that meets the reporting requirements for sustainability, ensuring that data collection from suppliers is done in a way that allows for more reliable calculations of GHG emissions, or altering the Group's product mix/pricing to achieve a reduction in GHG emissions per unit of sales.

The Group has a climate target to reduce its total greenhouse gas emissions by 50 per cent from the 2020 base year to 2030. To achieve this, a number of activities and annual interim targets have been established, which have been integrated into the Group's incentive programme.

Incentive programmes are approved by the Board. The year 2024 was the first year with sustainability-related targets included in the incentive programmes.

	2025-01-01 -2025-12-31	2024-01-01 -2024-12-31
Share of variable remuneration linked to sustainability targets (%)	7.5	7.5
Share of variable remuneration linked to climate-related sustainability targets (%)	7.5	7.5

GOV-4 STATEMENT ON DUE DILIGENCE

	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3 Integration of sustainability-related performance in incentive schemes SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 Interests and views of stakeholders IRO-1 Description of the process to identify and assess material impacts, risks and opportunities S1-2 Processes for engaging with own workforce and workers' representatives about impacts S2-2 Processes for engaging with value chain workers about impacts S4-2 Processes for engaging with consumers and end-users about impacts

	Paragraphs in the sustainability statement
c) Identifying and assessing adverse impacts	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-1 Transition plan for climate change mitigation E1-3 Actions and resources in relation to climate change policies E2-2 Actions and resources related to pollution E3-2 Actions and resources related to water and marine resources E5-2 Actions and resources related to resource use and circular economy S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	E1-4 Targets related to climate change mitigation and adaptation E2-3 Targets related to pollution E3-3 Targets related to water and marine resources E5-3 Targets related to resource use and circular economy S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

The identification and management of risks related to environmental and social sustainability and corporate governance are part of Ellos Group’s internal control framework. The Group applies the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) for internal control. It consists of five components: control environment, risk assessment, control activities, information and communication as well as monitoring.

The risk assessment related to inaccuracies in the sustainability statement follows the same structure as the risk assessment for the financial report and is conducted at least once per year. The Group’s risk assessment method involves a systematic evaluation of potential risks based on their likelihood and impact, where risks are prioritised using a risk matrix that categorises them as high, medium or low priority. This methodology enables resources to be focused on the most significant risks in the sustainability reporting process. The CFO is responsible for coordinating the activities related to the risk assessment and for presenting the results to the Board.

The risk of significant errors occurring in the sustainability statement is primarily considered to be related to human error or incomplete data. Therefore, the Group has implemented several processes to manage this risk:

- The accounting principles for sustainability reporting are based on ESRS.
- The Sustainability Manager regularly monitors key KPIs to ensure that they are presented correctly.
- Complex calculations, such as emission calculations for Scope 1, 2 and 3, are always verified by at least two individuals.
- There is a clear and well-structured governance of the sustainability work, which is described in the governance section.
- All sustainability information is collected through dedicated software systems for sustainability reporting, providing transparency and traceability of the data.

As described above, risks related to sustainability reporting are integrated into the Group’s framework for internal governance and control, and the results of risk assessments and internal controls are incorporated into internal functions through regular updates of policies and procedures.

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Ellos Group’s vision is to be the leading shopping destination in the Nordic region for the woman in mid-life. Sales is primarily aimed to consumers through the three e-commerce platforms Ellos, Jotex and Homeroom, all of which share the same integrated payment solution through own brand Elpy. Ellos Group’s operations are located in Borås and include head office which houses design and purchasing departments, photo studios, central warehouse and logistics centre for all three e-commerce platforms. The number of employees in the Group as of the balance sheet date amounted to 612 employees (615) for 2025. All employees are located in Sweden.

The Group’s revenue primarily consists of income from the sale of fashion and home furnishings. For 2025, net sales amounted to 3,463.7 SEK M. The Group’s product range consists of own brands, where Ellos Group acts as the manufacturer with full responsibility for product safety and traceability. The own brands are developed and designed by Ellos Group’s design and purchasing departments. The product range also includes products from suppliers of external brands, for which the Group acts as the distributor.

Operations are run across four main geographical areas where the Group also has subsidiaries – Sweden, Norway, Finland and Denmark. From the Swedish Group company Ellos AB, sales are also made to consumers in Germany, Poland, the Netherlands and Austria. The Group also sells products to consumers across Europe via external e-commerce platforms. A smaller share of products is sold to businesses (B2B), which are either resellers of Ellos Group’s products or use the products in their own operations. No changes have occurred since the previous year.

The Group does not own any manufacturing facilities but collaborates with suppliers and agents.

In 2025, the Group had 479 product suppliers (606) across 86 countries (91), including suppliers of both own-brand products and external brands. The distribution of product purchases by geographical area was as presented below.

<i>Purchased goods by geographical area (%)</i>	2025	2024
Europe	11	13
China	52	55
India	14	13
Bangladesh	11	8
Other Asia	11	10
Other	1	1

The Group does not operate in the sectors of fossil fuels, chemical production, controversial weapons or in the sector of tobacco cultivation and production.

Business model

Ellos Group shall offer a modern product range within fashion and home furnishings, combining unique design under its own brands with carefully selected products from external brands, produced with care for the environment and people, at the best value for money, in an inspiring and seamless shopping experience.

Within the textile and home furnishings industries, significant sustainability-related challenges are present. These sectors account for a considerable share of global greenhouse gas emissions and are major consumers of natural resources such as water and fossil raw materials. The production processes are also characterised by extensive use of chemicals. In addition, there is a risk that the sectors contribute to unsustainable consumption patterns marked by short product lifetimes and high turnover rates. The social challenges are substantial, with complex supply chains and production located in countries where deficiencies in working conditions and compliance with human rights may occur.

Ellos Group takes responsibility in these matters and strives to make informed choices regarding suppliers, materials and production processes in order to reduce the Group's negative impacts. The Group's sustainability strategy is based on care for both people and the planet and is integrated with the Group's business strategy and business plan for the coming years. The overarching objective is to achieve sustainable and profitable growth. To support the implementation of the sustainability strategy, the Group has established both short-term and long-term targets, which are briefly presented below and described in more detail in the respective topical sections. Through these targets, the Group aims to drive the sustainability agenda forward and ensure that strategies and initiatives not only address today's challenges but are also proactive in anticipation of future requirements.

The Group is working to reduce climate impacts across the value chain and has adopted a transition plan with the target of reducing total greenhouse gas emissions by 50 per cent from the 2020 base year to 2030, in line with the Paris Agreement. The Group's largest climate impact lies in the upstream value chain, and the measures in the plan are therefore concentrated on purchased products, their production and transport. The transition plan includes actions to consolidate the supplier base and steer order placement towards more energy efficient production facilities. The Group has set targets to increase the share of more sustainable materials, such as organic cotton and recycled polyester, in products under own brands, which constitute a significant share of net sales. The Group has also established targets to increase the share of fossil free transport. The current product mix within fashion and home furnishings, characterised by high material and climate intensity, affects the conditions for achieving the emission reduction target. The transition plan therefore includes measures to adjust the product mix so that each unit of sales generates a lower CO₂e footprint.

Certain initiatives, such as the selection of product materials for products under own brands, fall entirely within the Group's control. In several other areas, however, Ellos Group is dependent on partners, for example factories and transport providers, to carry out the necessary transitions.

The Group is committed to creating an inclusive, respectful and safe working environment for all employees. Equality, diversity and health and safety constitute key focus areas. Targets have been established to achieve a more balanced gender distribution, both among all employees and within specific groups such as senior management.

A close and systematic collaboration with the Group's suppliers is carried out in order to enable and maintain good working conditions and respect for human rights throughout the supply chain. The Group has set the target that all product suppliers in Tier 1 for products under own brands should have approved audit reports from social audits conducted within the past 24 months. Furthermore, the target is that 90 per cent of the active product suppliers for products under own brands should belong to the two highest categories in Ellos Group's four-level assessment system for social sustainability.

Ellos Group seeks to create sustainable value for its stakeholders by maintaining sound corporate governance. A central element of this work is to strengthen training initiatives on ethics and compliance in order to ensure effective preventive efforts with respect to bribery and corruption.

Value chain

A simplified overview of the Group's value chain is presented to the right and illustrates the most material parts of the operations as well as where in the value chain each activity takes place.

In the upstream part of the value chain, Ellos Group depends on several key inputs and partnerships. These include agricultural products such as timber and cotton as well as clean water sources. To strengthen sustainability and resilience in the supply chain, the Group has implemented measures for responsible sourcing and to build long-term partnerships with suppliers, agents and factories.

The primary operational activities include purchasing, warehousing and logistics, marketing and sales, customer service and administrative functions. These are carried out by the Group's own workforce, whose competence and commitment are essential to maintaining high operational quality. As part of the sustainability strategy, the Group places strong emphasis on health and safety, with recurring workplace inspections and training designed to ensure the best possible working environment. Creating a meaningful and secure workplace that strengthens employee engagement is considered to contribute to Ellos Group's growth strategy.

Downstream in the value chain, the Group focuses on the distribution and delivery of products to end consumers. The products are provided through digital platforms. The logistics and sales activities are organised to ensure rapid access to the products, which strengthens customer satisfaction and loyalty. This efficiency is considered to contribute not only to sales growth but also to increased profitability for investors.

<i>Upstream activities</i>	<i>Activities in own operations</i>	<i>Downstream activities</i>
<p>Tier 1</p> <p>Direct suppliers, i.e. from whom Ellos Group purchase products from external brands, primarily within Europe.</p> <p>Agents who intermediate goods from factories, primarily in Asia.</p> <p>Factories that carry out final product manufacturing on behalf of Ellos Group (sewing & assembly), primarily in Asia.</p>	<p>Head office/warehouse in Borås</p> <p>Own staff working within Design and Purchasing, Warehouse/Logistics/ Return Handling, Marketing, Sales, Customer Service, Financial Services, Finance, IT, People & Culture etc.</p>	<p>Return handling</p> <p>External return handling partners in Estonia and Germany.</p>
<p>Tier 2</p> <p>Suppliers that carry out the manufacturing of finished materials (fabric mills, dyeing factories etc.).</p>		<p>Use phase</p> <p>Customer use and washing.</p> <p>Repairs.</p>
<p>Tier 3</p> <p>Suppliers that carry out processing of raw materials (yarn manufacturing etc.).</p>		<p>End-of-life phase</p> <p>Products that no longer can be reused or repaired.</p>
<p>Tier 4</p> <p>Suppliers that carry out agriculture, forestry and extraction.</p>		<p>Transport</p> <p>Transport to and from customer (returns), primarily by truck within Europe.</p>
<p>Transport</p> <p>Transport from supplier to warehouse, mainly sea freight from Asia and truck transport within Europe.</p>		

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

The Group’s key stakeholders are customers, employees, suppliers, communities and owners/investors. Engaging with stakeholders is essential to Ellos Group’s ability to create value and to its long-term success. Understanding stakeholders’ views and interests is an important part of shaping the Group’s strategy and business model. Ellos Group engages in continuous dialogues with its stakeholders through various channels. These dialogues typically involve Customer Service, People & Culture, Global Sourcing, Sustainability Steering Group and Group Management.

The table below outlines the dialogues with Ellos Group’s key stakeholders based on their purpose, method and how Ellos Group takes the results of these dialogues into account when shaping the Group’s strategy and business model.

The understanding of the stakeholders’ views is also an important aspect of the due diligence process and in the Group’s double materiality assessment, which is presented in more details in IRO-1 Description of the process to identify and assess material impacts, risks and opportunities.

The results from the stakeholder dialogues are discussed in the Sustainability Steering Group and reported Group Management and the Board during regular meetings.

The Group’s sustainability strategy and business model follow the previously established direction and are designed to address both the environmental and social impacts arising from the Group’s operations. The Group continuously monitors developments in stakeholder expectations and is prepared to adapt its strategy and business model if needed.

<i>Stakeholder</i>	<i>Purpose</i>	<i>Method</i>	<i>Result</i>
<i>Customers</i>	Understanding customer needs and desires, as well as developing products and services that support their sustainability targets.	Customer surveys, dialogue with customer service and interaction through website and social media.	Focus on safe, more sustainable and responsibly produced products to enhance customer satisfaction.
<i>Employees</i>	Creating a safe and meaningful workplace that fosters growth and innovation.	Employee surveys and evaluation of these, along with action plans. Internal meetings, such as discussions on corporate culture. Whistleblowing service.	Focus on health and safety, diversity and a positive corporate culture to enhance employee satisfaction, thereby improving productivity and support for the Group’s overall business strategy.
<i>Suppliers</i>	Ensuring that the supply chain shares Ellos Group’s views on business ethics, human rights, fair working conditions and the environment.	Supplier assessments, audits and collaboration programmes. Whistleblowing service.	Focus on transparency, environmental issues and compliance with Ellos Group’s Code of ethics to create a more sustainable supply chain.
<i>Communities</i>	Making a positive impact in the communities where Ellos Group operates by supporting selected causes and initiatives that create a lasting difference, always from a non-political and non-religious standpoint.	Dialogue with customers and various community groups, partnerships with local organisations.	Supporting local associations and projects to create positive social impacts in the Group’s local communities, thereby strengthening the corporate image.
<i>Owners/Investors</i>	Ensuring transparency regarding Ellos Group’s business strategy and the Group’s sustainability commitments.	Investor meetings and communication through interim reports and the annual reports.	Increase understanding of and trust in the Group’s sustainability work, leading to improved relationships with owners and investors.

Additional information related to stakeholders' interests and views.

Own workforce

ESRS 2 SBM-2-S1 Interests and views of stakeholders

employee surveys are carried out to gain insights into employee well-being, engagement and workplace experiences. Annual performance and development reviews are also conducted. These provide a basis for identifying areas for improvement and for adapting operations to mitigate negative impacts.

At present, the interests and views of members of the Group's own workforce who are not employees are not taken into account.

Workers in the value chain

ESRS 2 SBM-2-S2 Interests and views of stakeholders

The Group's business model, which involves outsourcing production processes to suppliers and agents primarily in Asia, is considered to entail an elevated risk of violations of human rights and labour regulations. Business practices, production requirements and the structure of supplier relationships may also have a material impact on worker well-being.

Ellos Group takes into account the interests, views and rights of workers in the value chain in order to reduce material impacts on workers in the value chain. The process for doing so is integrated into Ellos Group's human rights due diligence process. As part of the process, risks are continuously assessed and areas are identified where Ellos Group's operations or business decisions may contribute to negative impacts on particularly vulnerable groups such as women and children. Through collaborations with third-party organisations, Ellos Group ensures that measures are implemented to mitigate significant negative impacts related to workers in the value chain.

Actively ensuring that the Group's operations are conducted with high integrity regarding social aspects in the markets where Ellos operates is an important part of the business strategy. Ellos Group requires its suppliers to ensure good working conditions and the protection of human rights for the people involved in the production of the products sold by the Group.

Consumers and end-users

ESRS 2 SBM-2-S4 Interests and views of stakeholders

The Group's strategy and business model for managing personal data, marketing practices, product safety and inclusion may affect consumers and end users. The interests, views and rights of these groups are taken into account within the Group's strategic direction through commitments to respect human rights and ensure that products are safe and produced in a responsible manner. Ellos Group maintains an active dialogue with customers through several communication channels in order to continuously improve products and services based on incoming feedback.

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Group has carried out a double materiality assessment to identify material impacts, risks and opportunities. This has resulted in the material impacts and risks presented below. The overview illustrates where these are located within the operations and the value chain, and how they are linked to the overall strategy and business model. Further information on how the Group manages these impacts and risks is

provided under each respective topical sections: ESRS E1 Climate change, ESRS E2 Pollution, ESRS E3 Water and marine resources, ESRS E5 Resource use and circular economy, ESRS S1 Own workforce, ESRS S2 Workers in the value chain, ESRS S4 Consumers and end-users and ESRS G1 Business conduct.

Ellos Group is not reporting on ESRS E4 Biodiversity and ecosystems in the environmental information section of this year’s sustainability statement.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
CLIMATE CHANGE							
<p>GHG emissions in the value chain Ellos Group’s operations contribute to climate change through the use of natural resources in the value chain and GHG emissions associated with the production of goods and transportation. This has a negative impact on the environment.</p>	Actual negative impact	●		●	●	●	●
<p>Energy in the upstream and downstream value chain Ellos Group relies on energy for product processing and manufacturing through external factories. The textile industry requires significant energy and has low energy efficiency in terms of energy usage. Shipping companies and transport providers engaged by Ellos Group use fossil energy sources, which, when burned, emit greenhouse gases that contribute to climate change. This has a negative impact on the environment.</p>	Actual negative impact	●		●	●	●	●
<p>Insufficient access to natural resources and disruptions in production frequent and severe floods may force factories to temporarily close, impacting lead times and increasing the risk of goods arriving too late for their peak sales period. It can also cause damage to production materials. This could result in increased costs.</p>	Risk (Physical risk)	●				●	●
<p>Insufficient access to recycled materials demands, which could result in difficulty and/or high costs in obtaining the amount of fibre that Ellos Group needs to produce more sustainable products under its own brands. This could lead to increased costs.</p>	Risk (Transition risk)	●				●	●
<p>Higher energy costs There is a risk of higher energy costs as governments in many countries/EU require factories to use a larger share of renewable energy or impose higher taxes on GHG emissions. Shifting production to factories with lower/better energy usage could also lead to increased product costs.</p>	Risk (Transition risk)	●				●	●

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>	
POLLUTION								
<p>Pollution to air, soil and water in upstream and downstream value chain Ellos Group's products are transported by sea, where the combustion of fossil fuels causes air pollution. For shorter distances, trucks are used, which also contribute to air pollution.</p> <p>The Group's products contain large amounts of textile raw materials. The cultivation of textile raw materials, especially cotton, requires significant use of fertilisers and pesticides, which negatively affect the surrounding environment and soil.</p> <p>Today's textile production creates major environmental challenges in several textile-producing regions. There is a risk that polluted water is discharged from production facilities, as some lack proper water treatment systems. This has a negative impact on the environment.</p>		Actual negative impact			●	●	●	●
<p>Chemicals in the manufacturing process Ellos Group keeps records of which chemicals must not be used in the manufacturing of the Group's products, both within own brands and in products from external brands. If suppliers do not comply with these requirements, there is a risk that the chemicals used in Ellos Group's products may have a negative impact on consumers and the environment.</p>		Potential negative impact			●	●	●	●
<p>Emission of microplastics through washing Ellos Group contributes to emissions of microplastics through the sales of products containing synthetic textile fibres. Approximately 9 percent of the microplastics released into oceans globally come from clothing and other textiles, primarily through washing at the consumer level. This has a negative impact on the environment.</p>		Actual negative impact			●	●	●	●
		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>	
WATER RESOURCES								
<p>Water consumption in manufacturing process in upstream value chain Ellos Group is dependent on water as a resource for raw material supply and product processing, which contributes to water consumption in geographical areas where water is a scarce resource. This has a negative impact on the environment.</p>		Actual negative impact			●	●	●	●
<p>Water scarcity in the upstream value chain Water scarcity leading to reduced global production of raw materials, such as cotton, and/or increased raw material costs, supply chain disruptions and longer lead times may result in higher purchasing costs for the Group.</p>		Risk			●	●	●	●

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
BIODIVERSITY AND ECOSYSTEMS							
Impact on biodiversity through upstream value chain The production of the goods that Ellos Group sells contributes to climate change, environmental pollution and freshwater use, driving the loss of biodiversity. This has a negative impact on the environment.	Actual negative impact	●			●	●	●
Impact on ecosystems through upstream value chain Ellos Group uses natural resources such as cotton and wood for its products. Cotton cultivation and tree harvesting negatively impact ecosystems through, for example, land degradation, desertification and soil sealing. This has a negative impact on the environment.	Actual negative impact	●			●	●	●
RESOURCE USE AND CIRCULAR ECONOMY							
Waste in own operations and in value chain Ellos Group generates waste in its own operations, as well as additional waste throughout the upstream value chain and after consumer use. This has a negative impact on the environment.	Actual negative impact	●	●	●	●	●	●
Use of virgin raw material Ellos Group's products are largely made from virgin raw materials, which causes negative environmental impact and increased resource scarcity.	Actual negative impact	●			●	●	●
Recyclability of products Consumption within the fashion industry, where products are discarded or replaced after a very short usage period, is a major environmental issue that involves all companies operating within the textile sector. Ellos Group contributes to this negative environmental impact as there may be limited opportunities to recycle the products sold by the Group.	Actual negative impact			●	●	●	●
Increased raw material costs due to resource scarcity If the fashion industry fails to transition to more environmentally sustainable business models, by extending the lifespan of each garment, increasing the recyclability of products and using fewer natural resources in the production of products, it could lead to raw material shortages. This could result in supply constraints and higher purchasing costs.	Risk	●				●	●

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
OWN WORKFORCE							
<p>Working conditions in the upstream value chain The textile industry is one of the most female-dominated industries in the world, with around 80 percent of the workforce being female. Women are at a higher risk of experiencing gender-based violence, harassment, overwork conditions, poor working conditions and underpayment. Through its suppliers and sub-suppliers, Ellos Group may therefore potentially have a negative impact on female workers in the value chain.</p>	Potential negative impact		●		●	●	●
<p>Work-related rights in the upstream value chain In Ellos Group's upstream value chain, there are risks related to human rights and decent working conditions in connection with the production of products. The Group's suppliers and sub-suppliers are largely located in high-risk countries in Asia, such as China, Pakistan and Bangladesh, where human rights violations, forced labour and child labour occur. Ellos Group, through its suppliers and sub-suppliers, may therefore potentially have a negative impact on workers in the value chain in these countries.</p>	Potential negative impact		●		●	●	●
WORKERS IN THE VALUE CHAIN							
<p>Working conditions in the upstream value chain The textile industry is one of the most female-dominated industries in the world, with around 80 percent of the workforce being female. Women are at a higher risk of experiencing gender-based violence, harassment, overwork conditions, poor working conditions and underpayment. Through its suppliers and sub-suppliers, Ellos Group may therefore potentially have a negative impact on female workers in the value chain.</p>	Potential negative impact	●			●	●	●
<p>Work-related rights in the upstream value chain In Ellos Group's upstream value chain, there are risks related to human rights and decent working conditions in connection with the production of products. The Group's suppliers and sub-suppliers are largely located in high-risk countries in Asia, such as China, Pakistan and Bangladesh, where human rights violations, forced labour and child labour occur. Ellos Group, through its suppliers and sub-suppliers, may therefore potentially have a negative impact on workers in the value chain in these countries.</p>	Potential negative impact	●			●	●	●

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
CONSUMERS AND END-USERS							
<p>Personal data and credit information Ellos Group handles a large amount of personal data and credit information in its operations. A data breach or cyber security incident could lead to unauthorised access and misuse of customer information, potentially violating customers' privacy rights. This has a potentially negative impact on individuals.</p>	Potential negative impact			●	●	●	●
<p>Product safety The Group imports a large quantity of goods and resells them to customers in Europe. If Ellos Group were to sell products that do not meet the EU's health, environmental and safety requirements, there is a potential negative impact on people</p>	Potential negative impact			●	●	●	●
<p>Responsible portrayal of women Ellos Group reaches millions of women globally through how the Group portrays women in the marketing of products across different communication channels. If the Group fails to practise responsible marketing by neglecting to represent different body types and demographic groups, it may reinforce unrealistic beauty standards and potentially harm consumers' self-esteem and mental health.</p>	Potential negative impact			●	●	●	●
<p>Responsible marketing related to consumer credit Ellos Group offers customers various payment options through its own brand Elpy and through a partnership with a third party, instalment solutions are offered. Ellos Group, through its marketing of credit, could potentially influence customers to increase their debt levels, thereby putting them in a worse financial situation.</p>	Potential negative impact			●	●	●	●
<p>Unauthorised disclosure of personal data and credit information If Ellos Group handles personal data and credit information in such a way that it is disclosed, this could lead to the Group being liable for damages to individuals and suffering loss of reputation. If the Group fails to comply with GDPR legislation, the Group could face a fine of either 4 percent of total revenue or up to 20 million euros in penalty fees.</p>	Risk		●			●	●

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
BUSINESS CONDUCT							
Poor corporate culture A poor corporate culture negatively affects employees by causing stress, low motivation and engagement, reduced mental well-being and increased sickness absence. All workers within Ellos Group, both employees and contracted personnel, may be negatively affected if the Group does not work continuously to promote a positive corporate culture.	Potential negative impact		●		●	●	●
Insufficient protection of whistleblowers Ellos Group's employees, temporary workers, board members and suppliers may be negatively affected when reporting misconduct if the reporting channel lacks adequate security and anonymity.	Potential negative impact	●	●		●	●	●
Animal welfare Ellos Group sells goods that contain wool, down, feathers and leather. Animal welfare standards are lower in many other countries compared with Sweden, and since all production of goods under own brands takes place outside Sweden, there is a risk that the Group's operations, through the upstream value chain, may have a negative impact on animal welfare.	Potential negative impact	●			●	●	●
Long payment terms for suppliers of goods Ellos Group's suppliers of goods are mainly companies/agents located in Asia. Invoicing takes place when the goods are loaded onto the ship, and the standard payment terms are 60 days. Long payment terms can put a strain on suppliers' cash flow, potentially leading to difficulties in paying sub-suppliers or wages to employees. This has a potentially negative impact on workers in the value chain.	Potential negative impact	●				●	●
Corruption and bribery Bribery and corruption can occur both within Ellos Group's own operations and throughout the value chain. The Group has a large number of suppliers in Asia, primarily in China, India and Bangladesh. According to Transparency International, which compiles an annual index measuring corruption, these countries have a high level of corruption. Bribery and corruption within the supply chain can lead to poorer working conditions during production and lower-quality products, which in turn can have a negative impact on the environment, workers in the value chain, Ellos Group's own operations and customers.	Potential negative impact	●	●	●	●	●	●

Effects of material impacts, risks and opportunities on the Group’s business model, value chain, strategy and decision-making

There is a reciprocal relationship between the Group’s strategy and business model and the identified material impacts and risks. On the one hand, the identified material impacts and risks influence the Group’s strategic direction. On the other hand, the strategic decisions taken also affect the material impacts and risks.

In response to the identified material impacts and risks listed above, the Group has adapted its business model and strategy to ensure continued resilience. For information on the measures the Group has taken and intends to take to address the current and expected effects of the Group’s material sustainability matters, refer to the respective topical sections.

General information on material risks and opportunities

In 2025, none of the material risks had any significant financial effect on the Group’s financial position, financial performance or cash flows. It is also assessed to be no significant risk of material adjustments to the carrying amounts of assets and liabilities during the next annual reporting period linked to the material risks identified in the materiality assessment. The Group has made use of the transitional provision that allows the expected financial effects of risks and opportunities to be omitted. There are currently no planned major financial investments (CapEx) resulting from the risks identified in the materiality assessment, whether in the short, medium or long term.

Resilience analysis

The Group continuously performs resilience analyses of its strategy and business model and assess its ability to manage material climate-related impacts and risks across its entire operations and value chain. This is described under IRO-1 Description of the process to identify and assess material impacts, risks and opportunities. No other resilience analysis has been conducted.

Changes in material impacts, risks and opportunities compared with the previous reporting period

An updated materiality assessment was carried out in autumn 2025. The changes compared with the previous year are presented below.

Energy – no longer financially material. The supply chain-related risk is included in Climate change mitigation. There is no material risk related to energy in the Group’s own operations.

Resource outflows related to products and services – no longer financially material. Costs related to extended producer responsibility were previously considered a material financial risk. These costs are no longer uncertain and have been incorporated into the budget.

Workers in the value chain – working conditions – no longer financially material. The assessed risk of financial compensation linked to the Accord agreement in Bangladesh and Pakistan remains, but

the magnitude has been assessed as lower, meaning the topic falls below the threshold for financial materiality.

Impacts on and dependencies on ecosystem services – no longer material from an impact perspective. The impact of the Group is considered to be covered by Direct drivers of biodiversity loss.

All impacts, risks and opportunities are covered by the ESRS disclosure requirements, and the Group does not report any additional entity-specific disclosures.

Additional information related to material impacts, risks and opportunities and their relationship to strategy and business model

***Climate change
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model***

In 2024, Ellos Group carried out a climate-related scenario analysis in accordance with the guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). The methodology and scope of the assessment, as well as the time horizons considered when determining material climate-related physical and transition risks, are described in IRO-1 Description of the process to identify and assess material impacts, risks and opportunities.

The Group is actively working to secure resilience in its strategy and business model in relation to climate change and, in connection with the climate scenario analysis, has evaluated its resilience against the identified risks in the analysed scenarios. No assets are assessed to be exposed to risk; however, risks related to the Group’s product portfolio have been identified. The Group assesses that it has good ability to adapt its strategy and business model over the medium and long term, for example by planning purchasing so that product groups are not concentrated with a single supplier and by collecting information on the detailed geographical location of factories in relation to risks linked to water, precipitation, heat and cyclones in these areas. This is to enable purchasing to be spread across different regions. The Group also follows up on how suppliers themselves work to remain resilient to different climate risks. Ellos Group aims to reduce its dependence on natural materials, increase the share of recycled fibres and maintain a higher buffer stock of NOOS products (Never Out of Stock products).

Biodiversity and ecosystems

ESRS 2 SBM-3-E4 Material impacts, risks and opportunities and their interaction with strategy and business model

The Group's own facilities in Viared in Borås are assessed not to have a negative impact on biodiversity and ecosystems, and the Group is assessed not to conduct any activities that affect threatened species.

Material negative impact related to land degradation, desertification and soil sealing has been reported under SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

The impact has been identified in the upstream value chain. At present, there is no knowledge of the exact geographical origin of the raw materials used in the products purchased by the Group. The assessment of impact has therefore been based on where the Group's suppliers are located. The WWF Biodiversity Risk Filter Suite has been used to some extent in the assessment of risks.

According to the World Economic Forum, the loss of biodiversity and ecosystem collapse is the third largest risk to the global economy over a ten-year horizon. Ellos Group has a responsibility to help reduce this risk but is humble about the need to acquire more knowledge on how best to do so, beyond increasing the share of certified biological materials.

Own workforce

ESRS 2 SBM-3-S1 Material impacts, risks and opportunities and their interaction with strategy and business model

The current and potential impact on the own workforce identified in the double materiality assessment is linked to the Group's strategy and business model, namely being an e-commerce actor with a large product range and offering fast deliveries. The Group has adapted its strategy to address and mitigate negative impacts on the own workforce through clear policies such as the Human Rights Policy, the Occupational Health and Safety Policy and the Equality and Diversity Policy. The Group focuses on health and safety, for example through recurring workplace inspections, investments in better equipment, occupational health services and health-promotion activities. The Group has zero tolerance for discrimination and works continuously with training initiatives, integrating diversity and inclusion perspectives into processes, procedures, common ways of working, tools and corporate culture, and ensuring that grievance channels exist and are effective.

All employees who may be materially affected have been taken into account, including those working in offices, warehouses and in the outlet store, as well as employees with both permanent and fixed-term contracts. The Group has also considered members of the own workforce who are not employees but who work on the Group's premises. Impacts related to health and safety are assessed to be limited to groups of employees depending on where staff work and may be both recurring and consist of individual incidents. The potential impact related to discrimination is assessed to relate to individual incidents.

There is no material positive impact related to the own workforce, and the Group has not identified any material risks or opportunities related to the own workforce. There is also no material impact on the own workforce in relation to the transition plan for climate change mitigation. All employees are based in Sweden and are covered by collective agreements, which means there is no risk of forced labour, compulsory labour or child labour within the own workforce.

Workers in the value chain

ESRS 2 SBM-3-S2 Material impacts, risks and opportunities and their interaction with strategy and business model

The potential impact on workers in the value chain identified in the double materiality assessment, regarding working conditions and work-related rights, is linked to the Group's strategy and business model. The Group's suppliers and their sub-suppliers are largely located in high-risk countries in Asia such as China, Pakistan and Bangladesh, where violations of human rights, forced labour and child labour occur. To address and mitigate negative impacts on workers in the value chain, the Group works to promote a more ethical and transparent textile and home furnishings industry. The work is governed by the Supplier Code of Conduct and the Human Rights Policy. Follow-up of suppliers of products under own brands is carried out through third-party inspections.

When identifying actual and potential impacts on workers in the value chain, the Group has considered workers within the upstream product supplier chain. The scope does not include workers involved in distribution in the upstream value chain or workers in the downstream value chain who work with returns handling, distribution and waste management. The negative impacts identified are assessed to occur primarily in the upstream value chain, where garment manufacturing, textile production and sourcing of raw materials take place. Women are assessed to be a particularly vulnerable group at greater risk of being exposed to violence, harassment, poor working conditions and discrimination.

The risk of child labour and forced labour is particularly high in countries where there is weaker supervision of labour and environmental legislation such as in China, Pakistan and Bangladesh, where a large share of the Group's suppliers and sub-suppliers are located. The risk is assessed to be most widespread in agriculture, raw material production, cotton cultivation and textile production. The material negative impacts on workers in the value chain are assessed to be extensive and systemic.

There is no material positive impact related to workers in the value chain, and the Group has not identified any material risks or opportunities related to workers in the value chain.

Consumers and end-users***ESRS 2 SBM-3-S4 Material impacts, risks and opportunities and their interaction with strategy and business model***

The potential impacts on consumers and end-users identified in the double materiality assessment, regarding personal data, product safety and marketing, are linked to the Group's strategy and business model, namely being a leading e-commerce actor with a broad product offering and flexible payment options. The Group adapts its strategy to address and mitigate potential negative impacts on consumers and end-users through clear policies such as the Human Rights Policy, the Data Protection Policy and the Product Safety Policy. A policy for responsible marketing has been developed but has not yet been formally approved by Group Management. To address potential negative impacts related to privacy, the Group works continuously with data protection. The Group's procedures for product testing and its MRSL (Manufacturing Restricted Substances List) and RSL (Restricted Substances List), which prohibit suppliers from using certain substances, ensure product safety. The Group also has internal guidelines for responsible and inclusive marketing.

The Group's customers consist of men and women of varying ages. The average customer is a woman in middle age, 30-60 years. When identifying potential impacts on consumers and end-users, the Group has considered all groups likely to be materially affected. This includes groups such as women and young consumers, who may be particularly vulnerable to the influence of marketing and sales methods. Children are assessed to be particularly vulnerable to exposure to health risks. All consumers and end-users are assessed to be materially affected by privacy-related matters. Insights into impacts on consumers and end-users, and which groups are more vulnerable, have been obtained through customer surveys, customer service channels, applicable regulations and public debate. The potential negative impacts are assessed to relate to individual incidents.

No material positive impact related to consumers and end-users has been identified. The identified material risk regarding the dissemination of personal data and credit information is connected to the potential negative impact of infringements of customers' privacy-related rights. Inadequate security, or for example a stolen database, could have major negative consequences for affected customers. The potential magnitude could be larger or smaller depending on the nature of the intrusion. The risk of dissemination of personal data and credit information is linked to the Group's strategy and business model partly because the Group operates in e-commerce and has millions of customers, and partly due to the payment options offered by the Group. The Group dedicates substantial resources to ensuring that customer information is handled securely in line with applicable legislation.

IRO-1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

During 2025, Ellos Group carried out a review of the double materiality assessment, which was first conducted in 2023, to reflect changes over the past year. The double materiality assessment has been performed with the support of EFRAG's guidance and covers the Group and its value chain. The double materiality assessment has been carried out according to the following steps

1. Mapping Ellos Group's operations, value chain and key stakeholders

A mapping of Ellos Group's operations and business relationships, the value chain and affected stakeholders was carried out to identify relevant sustainability topics.

When it comes to environmental sustainability topics, significant focus was placed on the upstream value chain where the Group identifies heightened risks for negative impacts.

2. Stakeholder dialogue

The key conclusions from the stakeholder dialogues conducted during the year (employee surveys, supplier audits, customer surveys, discussions with management and the Board) were summarised to understand stakeholders' expectations and requirements regarding environmental, social and governance matters.

3. Impact – gross list

Based on the sub-topics listed in the list of sustainability matters in ESRS 1 General Requirements, Appendix A, the actual and potential negative or positive impacts of the Group's operations on people or the environment, within its own operations and across the value chain, were mapped.

The mapping was carried out in consultation with internal subject matter experts and resulted in a gross list of topics with actual and potential impact. Additional sources for the mapping included previously conducted materiality assessments, external scientific research, reports from industry organisations, completed supplier audits, information from cases reported via the whistleblowing service, publications regarding ESG risks, internal risk assessments and benchmarking against companies within the same industry.

After the mapping was completed, one sustainability topic and several sub-topics were assessed as irrelevant and excluded from the continued assessment.

The rationale for this is presented to the right.

ESRS E2 Pollution - Pollution of living organisms and food resources

Ellos Group has no significant dependence on living organisms and food resources and the impact that Ellos Group may have on living organisms and food resources is covered by other sub-topics, such as pollution of water, air and soil.

ESRS E3 Water and marine resources – Marine resources

Ellos Group's impacts and dependencies related to water are covered by the subtopic water. The Group is not dependent on other marine resources than water, and the impact that Ellos Group may have on marine resources is covered by other sub-topics, such as pollution of water and climate change mitigation.

ESRS E4 Biodiversity and ecosystems - Impacts on the state of species

The impact that Ellos Group may have on the status of species is covered by other sub-topics, such as direct impact drivers of biodiversity loss, impacts on the extent and condition of ecosystems, and impacts on and dependencies on ecosystem services. Ellos Group has no financial risk related to impacts on the status of species, as the Group's direct dependence on species concerns domesticated animals

ESRS S3 Affected communities (entire sustainability topic)

Although Ellos Group's suppliers have a significant impact on the local communities and groups in which they operate, Ellos Group is a small customer to the suppliers. The Group therefore has limited ability to influence issues such as freedom of expression/assembly, adequate housing, food/water supply and rights of indigenous peoples. The most important issues in the upstream value chain, such as working conditions and child labour, are covered by the topic of workers in the value chain.

ESRS G1 Business conduct - Political engagement and lobbying activities

Ellos Group is a member of industry organisations, such as the International Accord, but does not consider this to be political engagement aimed at exerting political influence or lobbying.

4. Quantitative assessment

Internal subject matter experts together with parts of the Sustainability Steering Group, rated each identified impact using five-point scales. Negative impacts were rated based on severity, which was a combination of scale, scope, irremediable character of the impact, and likelihood. Positive impacts were rated based on scale, scope and likelihood.

Scale – how severe the impact is or how much the impact contributes to sustainable development for the stakeholder group most affected

Scope – how widespread the impact is within the stakeholder group most affected

Irremediable character – how difficult it is to reverse the effect of negative impact (in terms of cost or time)

Likelihood – how likely it is that the impact will occur

The scoring was aggregated and resulted in determining whether an impact was material or not. The threshold for materiality was set as a slanting line, depending on the combination of severity and likelihood. Severity was prioritised over likelihood, and any impact with a severity greater than four was considered material, regardless of likelihood. At the same time, less severe impacts with a very high likelihood were also considered and deemed material. The threshold for materiality regarding negative impacts related to human rights was set lower.

Based on the identified impacts, the financial effects (risks and opportunities) that could arise were then assessed. Risks and opportunities were evaluated based on magnitude and likelihood. The threshold values used align with the scale applied in Ellos Group’s other risk management processes.

The threshold for financial materiality was set as a slanting line, depending on the combination of the size of the financial effect and likelihood. A financial effect graded higher than four with a low likelihood was considered material, just as a lower financial effect with a very high likelihood was also deemed material.

A sustainability issue became material if at least one impact, risk or opportunity exceeded the threshold, indicating either impact materiality, financial materiality or both (double materiality).

5. Qualitative assessment and approval

After the quantitative assessment, a qualitative analysis was conducted, including benchmarking against companies within the same industry, to ensure the relevance of the identified material topics from an impact, financial and double materiality perspective. This qualitative assessment was carried out by the Sustainability Steering Group.

The result of the materiality assessment was then reviewed and approved by Group Management and the Board.

Input parameters in the double materiality assessment

	<i>Scale</i>	<i>Scope</i>	<i>Restorability in terms of cost/ time (negative impacts only)</i>
5	Very high – Substantial	All – Global level	Permanent damage
4	High – Significant	Majority – Entire regions	Major effort to restore
3	Medium – Noticeable	Approximately half – Large areas	Moderate effort to restore
2	Low – Limited	Minority – Multiple localities	Minor effort to restore
1	Very low – Not noticeable	Individual – Specific sites	Very easy to restore

	<i>Size</i>	<i>Effect on results</i>
5	Largest possible	> 50 SEK M
4	Very large	25-50 MSEK
3	Large	25-50 SEK M
2	Moderate	10-25 SEK M
1	Very small	< 5 SEK M

	<i>Likelihood</i>	
5	Almost certain(> 75 %)	Has occurred or is expected to occur within 1 year
4	Likely (50-75 %)	Expected to occur within 1–5 years
3	Possible (25-50 %)	May occur within 1–5 years
2	Low (10-25 %)	Expected to occur less frequently than once every 5 years
1	Rare (< 10 %)	Not expected to occur

Outcome of the double materiality assessment

Impact materiality

Climate change adaptation
 Energy
 Pollution of air
 Pollution of water
 Pollution of soil
 Substances of concern
 Substances of very high concern
 Microplastics
 Direct impact drivers of biodiversity loss
 Impacts on the extent and condition of ecosystems
 Resource outflows related to products and services
 Waste
 Working conditions - own workforce
 Equal treatment and opportunities for all - own workforce
 Working conditions - workers in the value chain
 Equal treatment and opportunities for all - workers in the value chain
 Other work-related rights - workers in the value chain
 Personal safety of consumers and/or end-users
 Social inclusion of consumers and/or end-users
 Corporate culture
 Protection of whistle-blowers
 Animal welfare
 Management of relationships with suppliers, including payment practices
 Corruption and bribery

Double materiality

Climate change mitigation
 Water
 Resources inflows, including resource use
 Information-related impacts for consumers and/or end-users

Non-material

Pollution of living organisms and food resources
 Marine resources
 Impacts on the state of species
 Impacts on and dependencies on ecosystem services
 Other work-related rights - own workforce
 Communities' economic, social and cultural rights
 Communities' civil and political rights
 Rights of indigenous peoples
 Political engagement and lobbying activities

Financial materiality

The outcome of the double materiality assessment is taken into account in the Group's regular risk assessment process. All material impacts, risks and opportunities related to sustainability matters are overseen by Group Management and the Board as part of Ellos Group's sustainability governance processes, as described in GOV-1 The role of the administrative, management and supervisory bodies. No changes have occurred in the DMA process since the previous reporting period. Ellos Group undertakes to review the DMA process annually to identify, assess and prioritise impacts, risks and opportunities, taking into account changing trends, underlying assumptions, context and regulatory developments. An updated double materiality assessment is planned for autumn 2026.

Additional information related to the materiality assessment

Climate change

As part of the materiality assessment, a climate-related scenario analysis was conducted in 2024 using the guidelines from the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) to examine how Ellos Group’s assets and business activities may be exposed to physical risks or transition risks.

Three scenarios were selected:

- 1. Net Zero Emissions 2050
 - Ambitious mitigation measures are introduced shortly
 - Global net zero greenhouse gas emissions around 2050
 - 50 percent chance of limiting global warming to below 1.5°C by the end of the century
 - Relatively low physical risks but some impact from the transition
- 2. Current Policies
 - Mitigation measures are limited to already adopted or announced actions
 - Emissions increase until 2080
 - Global warming of approximately 3°C by the end of the century
 - Significant physical risks but less impact from the transition
- 3. Delayed transition
 - Ambitious mitigation measures are introduced shortly after 2030 with a very short implementation period
 - Emissions do not start decreasing until after 2030
 - Global warming of approximately 2°C by the end of the century
 - Relatively low physical risks but a very significant impact from the transition

In the scenario analyses, risks and opportunities were considered both upstream and downstream in the value chain, as well as within own operations. Transition-related risks and opportunities were primarily assessed based on the assumptions in the Net Zero Emissions 2050 scenario, while physical risks were mainly analysed using the Current Policies scenario. In the Delayed Transition scenario, both physical risks and transition risks were evaluated.

A gross list of potential climate-related risks and opportunities was developed in consultation with internal subject matter experts and through external benchmarking. In a workshop with Group Management, the impact on the Group’s operations was analysed, the magnitude of risks was assessed, and measures to mitigate risks and strengthen Ellos Group’s strategic resilience were discussed.

Pollution

Internal subject matter experts have identified impacts, risks and opportunities related to pollution. The assessment covered Ellos Group’s activities within its own operations as well as in the value chain, but no specific location-based evaluations were conducted. The Group has not engaged in any communication with affected communities regarding pollution.

Water resources

Internal subject matter experts have identified impacts, risks and opportunities related to water resources. The assessment covered Ellos Group’s activities within its own operations as well as in the value chain. The Group has not engaged in any communication with affected communities regarding water resources.

Biodiversity and ecosystems

Internal subject experts have identified impacts, risks and opportunities related to biodiversity and ecosystems. The assessment covered Ellos Group’s activities within its own operations as well as in the value chain. Ellos Group views biodiversity as a priority area and works actively to increase the use of certified materials, such as organic cotton and FSC-certified wood, to contribute to more sustainable development. At the same time, there is an awareness that this is a complex area, and the Group is humble about the need to expand its knowledge in order to make a real difference and reduce negative impacts. Ellos Group has not engaged in any communication with affected communities regarding biodiversity and ecosystems. The Group’s own facilities in Viared, Borås, are assessed to have no negative impact on biodiversity and ecosystems.

Resource use and circular economy

Internal subject matter experts have identified impacts, risks and opportunities related to resource use and circular economy. The assessment covered Ellos Group’s activities within its own operations as well as in the value chain. The Group has not engaged in any communication with affected communities regarding resource use and circular economy.

Business conduct

Internal subject matter experts were used to identify impacts related to business conduct. The assessment covered Ellos Group’s activities within its own operations as well as in the value chain. Specific geographical areas with heightened potential impact or risk for corruption, bribery and human rights violations have been considered.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

The following tables list all ESRS disclosure requirements in ESRS 2 and the nine topical standards that are material for Ellos Group and that have formed the basis for preparing the sustainability statement. The tables can be used to navigate to information linked to a specific disclosure requirement in the sustainability statement. In cases where the phase-in option is applied, no reference is provided (-). A list of datapoints in the cross-cutting and topical standards that originate from other EU legislation is presented in the appendix of the sustainability statement.

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ENVIRONMENTAL INFORMATION

DISCLOSURES IN ACCORDANCE WITH ARTICLE 8 OF THE TAXONOMY REGULATION

Ellos Group and the EU's Taxonomy Regulation

The EU Taxonomy Regulation (EU 2020/852) provides a framework and a common classification system that determines which economic activities relate to more environmentally sustainable activities. The Taxonomy Regulation applies to large undertakings that are subject to the Corporate Sustainability Reporting Directive (CSRD). The aim is to steer investments towards more environmentally sustainable activities based on six environmental objectives: climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Ellos Group is subject to the CSRD as of the 2025 financial year and therefore discloses the proportion of its economic activities that are Taxonomy-eligible and Taxonomy-aligned, together with its total turnover and its total capital and operating expenditure. To be aligned with the Taxonomy, the so-called technical screening criteria must be met. This means that the economic activities must substantially contribute to an environmental objective while not causing significant harm to any of the other environmental objectives. In addition, the activities must be carried out in accordance with the minimum safeguards set out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Accounting principles

Ellos Group applies, in accordance with Article 8 of the Taxonomy Regulation, the same accounting principles as when preparing the Group's financial statements. To ensure that no double counting of costs occur, the performance indicators were identified at Group level, which means that only transactions with third parties are included in the calculations.

Turnover

Turnover is defined as the amount obtained from the sale of goods and services after deduction of discounts, VAT and returns and corresponds to net sales in the consolidated income statement on page 89. For more information on net sales, please also refer to Note 4.

Capital expenditures

Capital expenditure includes capitalised expenses for investments in tangible and intangible assets, which are recognised in accordance with IAS 16 Property, plant and equipment, IAS 38 Intangible assets and IFRS 16 Leasing of rights of use. For more information on investments, please refer to the Group's report on financial position on page 90 and notes 8, 15 and 16.

Operating expenses

Operating expenses include expenses that are associated with maintaining the value of assets. Operating expenses are direct costs related to development, building renovation, short-term leases, maintenance and repair, as well as other costs related to the daily maintenance of the asset and to ensure their ongoing and appropriate functioning.

Assessment of economic activities

In accordance with the requirements of the Taxonomy Regulation and its accompanying Delegated Acts, the Group has conducted an analysis to identify which of its economic activities are covered by, and aligned with, the EU Taxonomy. The assessment has been carried out as part of the Group's sustainability reporting process under the CSRD and ESRS. The Group's main economic activities relate to the retail sector. Following a review of the Delegated Acts to the Taxonomy Regulation, it has been concluded that these activities are not included in any of the defined sectors or economic activities within the current scope of the Taxonomy. Consequently, the Group's total turnover is reported under Category B – Activities not covered by the Taxonomy.

The economic activities within the Group that are covered by the EU Taxonomy relate to Section 7: Construction and real estate activities. The Group leases premises for its headquarters and warehouse, which are recognised as right-of-use assets in accordance with IFRS 16 Leases. The total value of capitalised right-of-use assets amounts to 41.3 MSEK for 2025. Following a review of the technical screening criteria in the Taxonomy Regulation, the Group has assessed that these investments do not meet the requirements for Taxonomy alignment. The full amount is therefore reported under A.2 Activities covered by the Taxonomy but not environmentally sustainable (not Taxonomy-aligned). Ellos Group has no operating expenses covered by the Taxonomy during the reporting period.

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2025-01-01–2025-12-31

Economic activities (1)	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	Turnover (3)	Proportion of turnover, year 2025 (5)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change migration (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)			
		SEK M	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%															0.0%		
Of which enabling		0.0	0.0%															0.0%	E	
Of which transitional		0.0	0.0%															0.0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								0.0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0.0	0.0%															0.0%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities		3,463.7	100.0%
TOTAL		3,463.7	100.0%

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2025-01-01–2025-12-31

Economic activities (1)	Year		Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	CapEx (3)	Proportion of CapEx, year 2025 (5)	Climate change mitigation (6)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change migration (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)			
		SEK M	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%														0.0%		
Of which enabling		0.0	0.0%														0.0%	E	
Of which transitional		0.0	0.0%														0.0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	41.3	69.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								58.8%		
CapEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		41.3	69.9%	69.9%	0.0%	0.0%	0.0%	0.0%	0.0%								58.8%		
A. CapEX of Taxonomy-eligible activities (A.1 + A.2)		41.3	69.9%	69.9%	0.0%	0.0%	0.0%	0.0%	0.0%								58.8%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities		17.8	30.1%																
TOTAL		59.1	100.0%																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	69.9%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering 2025-01-01–2025-12-31

Economic activities (1)	Year			Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
	Code (2)	OpEx (3)	Proportion of OpEx, year 2025 (5)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate change migration (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)				
		SEK M	%	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)

OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.0	0.0%															0.0%		
Of which enabling	0.0	0.0%															0.0%	E	
Of which transitional	0.0	0.0%															0.0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

OpEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.0	0.0%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								0.0%		
A. OpEX of Taxonomy-eligible activities (A.1 + A.2)	0.0	0.0%															0.0%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities	7.2	100.0%
TOTAL	7.2	100.0%

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

ESRS E1 CLIMATE CHANGE

Ellos Group is aware that its operations impact the environment and that the Group plays a role in the challenges posed by climate change. This is taken very seriously, and the Group is continuously working to reduce its impact and find more sustainable solutions. Through collaboration with suppliers and partners to collectively identify better ways of working, as well as reviewing processes, using more sustainable materials and improving energy efficiency, Ellos Group strives to make a difference. By being transparent about challenges and progress, Ellos Group hopes to inspire change – both within its own operations and across the industry as a whole.

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to climate change were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
CLIMATE CHANGE							
GHG emissions in the value chain	Actual negative impact	•	•	•	•	•	•
Energy in the upstream and downstream value chain	Actual negative impact	•	•	•	•	•	•
Insufficient access to natural resources and disruptions in production	Physical risk	•				•	•
Insufficient access to recycled materials	Transition risk	•				•	•
Higher energy costs	Transition risk	•				•	•

Strategy

E1-1 Transition plan for climate change mitigation

Sustainability is a central part of the business, and the Group works continuously to identify and reduce its environmental footprint. As part of this work, Ellos Group has established a transition plan based on the Green House Gas (GHG) accounting for the 2020 base year, aiming to gradually reduce the Group’s total GHG emissions by 50 per cent in absolute terms by 2030. This plan is aligned with the EU climate targets and the Paris Agreement objective to limit global temperature rise to 1.5°C. The plan applies to all companies within Ellos Group and reflects the ambition to meet customer expectations on sustainability while ensuring a long-term business model in a world that demands climate-smart choices. The target concerns a near-term reduction; no climate-neutrality target has yet been set. The transition plan is an ongoing process and some measures are still under development, which means that the plan will be gradually supplemented and improved as the work progresses.

The majority of the Group’s emissions occur in Scope 3, Category 1 Purchased goods and services. Ellos Group’s strategy to meet the target in the transition plan therefore focuses on measures related to this category, which also aligns with the Group’s overall business strategy. The targets in Ellos Group’s transition plan are described in section E1-4 Targets related to climate change mitigation and adaptation.

A number of strategic areas have been identified as critical in the transition plan. The following table defines the emission reductions in the transition plan allocated to each area, and each area is linked to a set of measures. These are described in detail in section E1-3 Actions and resources in relation to climate change policies.

1. Suppliers	67%
Securing a transition to renewable energy sources and improved energy efficiency among the Group’s suppliers.	
2. Materials	8%
Increasing the use of recycled materials or materials with low emission factors	
3. Packaging	4%
Increasing the use of recycled materials or materials with low emission factors	
4. Transport	7%
Shifting to sea freight powered by biofuel and ensuring that last-mile transport is electrified and fossil-free, as well as avoiding air freight.	
5. Product mix	13%
Adjusting the product mix to promote sales of products with low emission factors relative to sales price.	
6. Scope 1&2	1%
Using renewable electricity and district heating in the Group’s own operations.	

Resources and financing

Ellos Group recognises that the work required to achieve the Group's climate target is a complex and long-term process that demands both investments and close collaboration throughout the value chain. To reduce the climate impact of its own operations, the Group has entered into agreements for the supply of renewable electricity and district heating. In addition to these agreements, investments have been made in various energy-efficiency measures, such as replacing lighting with LED solutions in all warehouse facilities.

Furthermore, Ellos Group has chosen to increase the use of certified materials with lower GHG emissions compared with conventional alternatives. This focus is an important part of the Group's overall strategy to reduce the climate footprint from products and production. To further strengthen the work towards the climate target, the Group has also invested in expanded personnel resources and IT systems. These investments aim to enable more efficient collection and management of data, which is essential for monitoring and analysing climate impact in a structured manner. In addition, these resources facilitate collaboration with different actors in the value chain, which is a prerequisite for jointly identifying and implementing the measures required to achieve the established climate target. Costs and investments related to achieving the Group's climate target are integrated into the Group's overall financial planning

Locked-in greenhouse gas emissions

The Group notes that its operations generate locked-in greenhouse gas (GHG) emissions primarily in the upstream value chain, particularly related to material choices, manufacturing processes and transport. The majority of these emissions are indirect (Scope 3), which means they are difficult to influence directly. A large share of the climate impact of garments is already locked in at the time of purchase and remains throughout the products' life cycle. Home textiles and furniture often have longer lifespans, which can reduce climate impact per use, but the locked-in emissions remain. The focus is therefore on reducing Scope 3 emissions through material choices, supplier collaboration and cooperation with transport partners that actively work to reduce their emissions.

Transition plan to mitigate climate change

The targets in the transition plan are aligned with Ellos Group's overall strategy and have been established to achieve a reduction in emissions, also taking planned growth into account. The transition plan has been approved by Group Management and the Board, ensuring that it is consistent with the long-term strategic objectives. Ellos Group also integrates performance metrics linked to the reduction of greenhouse gas emissions into management's incentive programmes (see ESRS 2 GOV-3 in the general disclosures section).

Progress and integration of the transition plan**Scope 1 and 2**

These categories constitute a limited share of Ellos Group's total emissions. Already in the 2020 base year, renewable electricity was introduced in the Group's own operations, and by 2025 district heating has also transitioned to renewable energy sources. The remaining emission sources within these categories mainly consist of company cars, the majority of which are now electric, as well as the use of refrigerants.

The company aims to replace existing refrigerants with alternatives that have a lower climate impact. Implementation has, however, been impeded by technical challenges and potential adverse consequences, such as the risk of chemical degradation into harmful substances.

Scope 3

The progress achieved to date under the transition plan primarily concerns an increased use of materials with a lower climate impact, such as recycled materials, organic cotton and EcoVero-certified viscose, as well as the use of renewable energy sources in the production process. Fewer business trips and improved waste sorting have also contributed positively to reducing the climate impact. A detailed description of this can be found in E1-3 Actions and resources in relation to climate change policies.

Impact, risk and opportunity management**E1-2 Policies related to climate change mitigation and adaptation**

Ellos Group has implemented several policies that define and communicate how the Group works with environmental principles and sustainability efforts related to climate change mitigation and adaptation. These policies are binding for all employees across all business activities within the Group and clarify Ellos Group's responsibility for managing climate-related material impacts, risks and opportunities.

The Environmental Policy aims to reduce Ellos Group's environmental impact by mitigating climate change, protecting natural resources and preserving biodiversity. It guides the work on sustainable materials and production, energy efficiency, responsible transport, waste management and sustainable packaging. The policy also ensures that environmental incidents are reported and followed up, and that the organisation continuously improves its environmental efforts through clear targets and employee training.

The Design Policy sets targets and guidelines for developing products with sustainability as a baseline. In design, the entire product life cycle is considered in order to minimise negative impacts, including by increasing the share of recycled materials, reducing waste, extending product lifetimes and using energy-efficient processes. Material choices must be prioritised based on low CO₂e impact and recyclability, and the design must support circular flows and safe use.

The Purchasing Policy clarifies that supplier relationships are governed through written agreements and follow-up of environmental and CSR performance, where long-term collaboration and continuous improvement are prioritised.

Group Management holds the overall responsibility for policy compliance. The Environmental Policy forms part of the Group's Code of Conduct and is approved by the Board, while the Design Policy and Purchasing Policy are approved by Group Management. The operational responsibility for implementation and compliance lies with Ellos Group's Sustainability Director.

E1-3 Actions and resources in relation to climate change policies

Actions

Ellos Group has developed a transition plan that includes several concrete actions aimed at reducing the Group's climate impact by 50 per cent during the period 2020 to 2030. As the majority of the Group's emissions fall within Scope 3, the strategy for GHG reduction is primarily focused on the production and transport of products. For Scope 1 and 2, the climate impact mainly relates to company cars and the use of electricity, heating and refrigerants at the Group's offices and warehouses. Although these emissions represent a smaller share of the total climate impact, Ellos Group continues to aim to reduce these as well.

Suppliers

A significant share of Ellos Group's total CO₂e emissions is generated during the manufacturing of goods at the Group's suppliers. These emissions are largely affected by the suppliers' energy use and the types of energy sources used in production processes. Against this background, Ellos Group's actions to reduce the Group's climate impact and its exposure to climate-related risks focus particularly on this part of the value chain.

As a first step, Ellos Group has initiated a systematic collection of sustainability data from suppliers. The Group uses the Worldfavor platform to collect and analyse data related to energy, water, emissions, chemicals and waste in the supply chain. Particular focus is placed on suppliers within the textile value chain, which is considered the most energy-intensive, as well as on suppliers of hard goods that account for the largest share of purchased weight.

During 2025, data has been collected from Tier 1 suppliers of the Group's own brands. The ambition is to expand the collection in 2026 to include selected Tier 2 suppliers, who often operate energy-intensive processes. Based on the collected data, Ellos Group will steer purchasing towards suppliers that use more renewable energy sources and have higher energy efficiency. This work is, however, characterised by challenges, as the supplier chain is complex and has a limited level of maturity regarding sustainability matters. A detailed description of Tier 1-4 is available in the section SBM-1 Strategy, business model and value chain.

Materials

Decision-making within the design and purchasing processes has a decisive impact on both the environmental and social consequences of Ellos Group's operations. To ensure that employees receive clear guidance, these matters are governed by internal policies as previously described in section E1-2 Policies related to climate change mitigation and adaptation. Material selection play a central role in the Group's total climate impact, and a prioritised action to reduce emissions is to gradually replace conventional materials with recycled alternatives and to select materials with lower GHG footprints. Ellos Group has set targets for products under its own brands regarding the use of certified materials with reduced climate impact, which are presented in more detail in section E5 Resource inflows. These targets

involve a gradual increase in the share of certified materials, with the ambition to reach 100 per cent by 2030. To enable the Group to meet its overarching climate targets, it is also necessary that products from external brands contribute to reduced climate impact. During 2025, a systematic effort was therefore initiated to collect data on certified materials in products from external brands, with the aim of gradually steering purchasing towards more sustainable alternatives.

Packaging

In 2025, Ellos Group delivered 4,1 million parcels, which means that the choice of packaging materials is a decisive factor for the Group's environmental impact. The e-commerce bags consist exclusively of recycled plastic, of which 80 per cent is PCR (post-consumer recycled) and 20 per cent is PIR (post-industrial recycled). The cartons are manufactured predominantly from recycled paper. According to the Group's Supplier Manual, the requirement for product and transport packaging is that all plastic packaging must be made of recycled plastic, and where possible plastic should be replaced with other materials that have a lower climate impact. Furthermore, Ellos Group works actively to reduce the amount of packaging material, primarily by delivering more bulky products unassembled, which has a positive effect on the total amount of packaging material.

Transport

Transport of the Group's products from suppliers to Ellos Group's warehouse in Borås is carried out primarily by sea freight, which accounts for the vast majority of volumes. Road transport is used for shorter distances. The use of air freight is negligible and has been further reduced in 2025 compared with 2024, measured as a share of total tonne-kilometres. As of 2025, the Group has introduced a general ban on air freight for product deliveries, with exceptions only for particularly critical products, and all such exceptions require approval from the Group's Purchasing Director. Ellos Group works closely with its logistics partners to optimise product flows and identify opportunities to minimise the environmental impact of transport. Transport to Ellos Group's customers is carried out primarily by truck from the warehouse in Borås, and the Group aims for all customer deliveries to be fossil-free by 2030. To further reduce the climate impact from transport, Ellos Group works to maximise container and truck fill rates. The Group also strives to ensure that an increasing share of bulky products is shipped unassembled where possible, which reduces packaging volume and thereby lowers the transport-related climate footprint

Product mix

Ellos Group offers a broad product range in both fashion and home furnishings, which has made it possible to identify products with varying climate impacts in relation to earnings. By integrating product mix steering into the Group's business plan, climate impact can be reduced while business objectives are achieved. This approach is aligned with Ellos Group's overall strategy.

Scope 1 and 2

Ellos Group's direct environmental impact within Scope 1 and 2 is limited. The Group has a small number of company cars, which are gradually being phased out from fossil-fuel vehicles to electric vehicles. Ellos Group has already transitioned to using only renewable electricity in both its office and warehouse operations in Borås. As of April 2025, all district heating is also sourced from renewable energy.

Achieved and expected reductions in greenhouse gas emissions

From the transition plan's base year up to the end of 2025, Ellos Group has achieved a reduction of 32,107 tCO₂e equivalent to 24 per cent.

Expected percentage reductions from the base year to the 2030 target year:

Suppliers: 55 per cent reduction in energy-related emissions.

Materials: 34 per cent reduction in material-related emissions.

Packaging: 32 per cent reduction in packaging-related emissions.

Transport: 58 per cent reduction in transport-related emissions.

Scope 1 and 2: 91 per cent reduction in emissions related to Ellos Group's own operations.

Timeframes and resources

The main key actions within Scope 1 and 2 were completed during 2025. However, a number of fossil-fuel vehicles remain to be replaced with electric vehicles, which will be carried out gradually up to 2030. For the actions covered by Scope 3, work is ongoing with the aim of completing all measures in the climate transition plan by 2030.

The majority of the measures included in the transition plan are assessed to be possible to implement without a significant increase in resource requirements. However, several of these measures fall within Scope 3, where Ellos Group's influence is indirect and therefore dependent on collaboration with actors both upstream and downstream in the value chain in order for the targets in the action plan to be achieved.

Suppliers

To realise the transition plan, access to data on energy use at suppliers is required. With this in mind, the Group added a resource equivalent to one full-time position (1 FTE) in 2025, responsible for collecting and compiling the necessary data. This enables purchasing to be directed towards alternatives with lower climate impact. Furthermore, the Group is dependent on the availability of renewable energy sources in production countries and on suppliers' willingness to transition to these energy sources.

Materials

The availability of recycled materials is currently limited. To achieve the targets in the transition plan, Ellos Group is dependent on the development of technical solutions that can increase the supply of recycled materials and enable the recycling of a wider range of material types.

Packaging

In the area of packaging, there is good availability of recycled material. Ellos Group assesses that there are no obstacles to achieving the packaging-related targets in the transition plan. The data required for product and transport packaging is collected using internal resources within the existing organisation.

Transport

Ellos Group collaborates with established transport partners, many of whom have their own climate transition plans. Through active dialogue with these partners, the Group expects that the targets will be achievable. The costs associated with these measures have not yet been determined.

Product mix

Changes to the product mix to achieve the targets in the climate transition plan require careful consideration, as energy-intensive products represent a significant share of sales. This is taken into account to avoid risking a decline in total sales.

Scope 1 and 2

The transition to non-fossil district heating has resulted in an increase in operating costs (OpEx) of 0.1 SEK M during 2025.

STICA

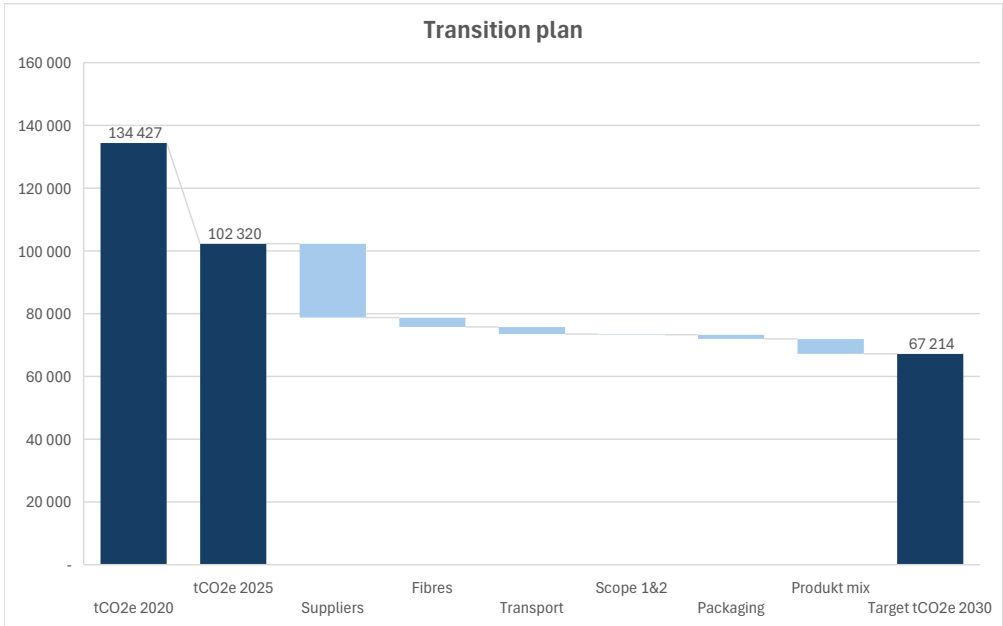
As an additional measure to reduce the Group's impact on the climate, collaboration with other companies is taking place. Since 2019, Ellos Group has been a member of The Swedish Textiles Initiative for Climate Action (STICA). The network offers valuable opportunities to work with other companies facing similar challenges, enabling members to share best practices, gain insights into innovative solutions, and accelerate our transition towards a more sustainable and ethical textile industry. STICA's goal is to ensure that the Swedish and Nordic textile industries work towards becoming the world's first climate-positive clothing and textile sector well before 2050.

Metrics and targets

E1-4 Targets related to climate change mitigation and adaptation

In line with Ellos Group’s policies and the Group’s focus on reducing significant climate-related impacts and risks, ambitious targets have been established to contribute to climate change mitigation. The targets have been set by internal experts and stakeholders together with external consultants and are approved by the Group’s Board. However, there is some uncertainty regarding the scope of the measures and their long-term financing, which may affect the implementation and outcomes.

Ellos Group aims to reduce total market-based greenhouse gas emissions by 50 per cent in absolute terms by 2030 compared with the 2020 base year, in line with the ambitions of the Paris Agreement. Emission calculations are carried out in accordance with the GHG Protocol and cover Scope 1, 2 and 3. The target covers the entire value chain – from upstream activities, through the Group’s own operations, to downstream stages. Scope 3 includes the categories that have so far been assessed as material. An inventory of Categories 11 and 12 has not yet been carried out, which means that we are currently unable to determine whether these categories are material. An inventory of these categories is planned for 2026. If the forthcoming analysis shows that Categories 11 and 12 are material, the targets will be expanded to include these categories. For a detailed description of excluded categories, see section E1-6 Gross Scope 1, 2, 3 and total GHG emission. The Group has not yet set a long-term climate target, but the ambition is to develop one in the near future.



For Scope 1 and 2, the target was to achieve GHG neutrality by 2025. In 2025, these emissions amounted to 207.9 tonnes of CO₂e, which means that the target has not been achieved when calculated as a gross target. The reason is that the Group has chosen not to replace conventional refrigerants with alternatives with a lower climate impact, as these have other negative environmental effects, and that Ellos Group had non-certified district heating during the winter months January to March, since the transition to district heating certified under Bra Miljöval took place in April 2025.

The Group’s target is aligned with the 1.5°C scenario, as the target is a 50% reduction in emissions, but it has not yet been externally reviewed or validated in accordance with established frameworks. The targets are therefore not currently classified as science-based.

The ability for Ellos Group to achieve the targets within Scope 1 and 2 does not require new technology. However, the Group’s largest impact is indirect, and it is therefore dependent on collaboration with actors both upstream and downstream in the value chain in order for the targets in the action plan for Scope 3 to be achieved.

The largest contributing factor to emission reductions will be the suppliers’ transition to energy technologies with lower GHG emissions. However, the Group is aware that its ability to meet the target for reduced greenhouse gas emissions is highly dependent on supplier engagement and on the pace of energy transition in their respective countries. This external dependency presents a challenge in ensuring sufficiently rapid progress. In addition, the shift from virgin raw materials to prioritised sustainable alternatives is a critical internal lever for reducing emissions. As decisions on material sourcing are made at the head office, this area is easier to monitor and implement. Challenges remain, however, in identifying the right suppliers and ensuring a stable supply of sustainable materials.

As described under IRO-1 Description of the process to identify and assess material impacts, risks and opportunities, a climate-related scenario analysis was conducted during 2024 to examine how Ellos Group’s assets and business activities may be exposed to physical risks or transition risks. When carrying out the scenario analysis, developments related to society, technology, market and policies were taken into account.

To ensure that the 2020 reference year reflects all relevant areas of operation, the baseline has previously been revised to include processes that were not initially included in the calculations. Improvements in data quality and optimisation of data processes have also resulted in updates to the baseline value. However, no further adjustments to the baseline were made during 2025. Ellos Group has adopted absolute reduction targets, which means that the targets of a 50 per cent reduction by 2030 remain constant regardless of any recalculations.

Ellos Group measures CO₂e/kg in addition to absolute CO₂e, and this intensity value has decreased significantly from 2024 to 2025.

CO ₂ e/kg	2025	2024
Total market-based CO ₂ e/ / total kg resource inflows	7.0	7.5

E1-5 Energy consumption and mix

Ellos Group operates in the following NACE sector, which means that the Group's entire net turnover is derived from a sector with high climate impact.

G - Wholesale and retail trade

Ellos Group's energy consumption consists mainly of electricity and district heating used in its own operations in Borås, as well as a smaller share of fuels for the Group's vehicles. As part of the Group's target for net-zero emissions in Scope 1 and 2, all electricity purchases and most district heating for 2025 have been made with guarantees of origin to ensure traceability and sustainability. Energy consumption is calculated based on supplier data from the electricity and heating providers.

Scope 2 – Energy consumption and energy mix		2025	2024
(1)	Fuel consumption from coal and coal products (MWh)	-	-
(2)	Fuel consumption from crude oil and petroleum products (MWh)	7.1	9.0
(3)	Fuel consumption from natural gas (MWh)	-	-
(4)	Fuel consumption from other fossil sources (MWh)	-	-
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2.5	136.3
(6)	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	9.6	145.3
	Share of consumption from fossil sources in total energy consumption (%)	0.10	1.40
(7)	Consumption from nuclear sources (MWh)	-	-
	Share of consumption from nuclear sources in total energy consumption (%)	-	-
(8)	Fuel consumption for renewable sources (MWh)	-	-
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	9,975.5	10,214.9
(10)	The consumption of self-generated non-fuel renewable energy (MWh)	-	-
(11)	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	9,975.5	10,214.9
	Share of renewable sources in total energy consumption	99.9	98.6
	Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)	9,985.1	10,360.2

Energy intensity		2025
Total energy consumption (MWh)		9,985.1
Total energy consumption from activities in high climate impact sectors per net revenue (MWh/SEK)		0.0000029
Net revenue from activities in high climate impact sectors used to calculate energy intensity (SEK M)		3,463.7
Total net revenue (Financial statements) (SEK M)		3,463.7

E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

	Retrospective				Milestones and target years		
	2025	2024	Base year 2020	% 2025/2024	2025	2030	Annual % target /Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO ₂ e)	73.7	138.4	2.3	-47%	0.0	-	-20.0%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-			
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	182.6	358.1	331.2	-49%	-	-	
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	134.2	300.4	240.0	-55%	0.0	-	-20.0%
Significant scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	102,111.8	103,840.8	134,185.0	-2%		67,213.7	-4.99%
1 Purchased goods and services (tCO ₂ e)	95,852.9	97,458.3	126,971.9	-2%			
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2) (tCO ₂ e)	95.4	103.3	36.3	-8%			
4 Upstream transportation and distribution (tCO ₂ e)	5,188.6	5,182.2	6,378.4	0%			
5 Waste generated in operations (tCO ₂ e)	43.3	74.8	94.9	-42%			
6 Business travel (tCO ₂ e)	160.3	296.3	225.7	-46%			
7 Employee commuting (tCO ₂ e)	771.3	726.0	477.8	6%			
Total GHG emissions							
Total GHG emissions (location-based) (tCO ₂ e)	102,368.1	104,337.4	134,518.5	-2%			
Total GHG emissions (market-based) (tCO ₂ e)	102,319.7	104,279.7	134,427.3	-2%		67,213.7	-5.00%

GHG intensity based on net revenue	2025
Total GHG emissions (location-based) per net revenue (tCO ₂ e/SEK)	0.0000296
Total GHG emissions (market-based) per net revenue (tCO ₂ e/SEK)	0.0000295
Net revenue used to calculate GHG intensity (SEK M)	3,463.7

See Note 4 in Ellos Group's consolidated financial statements for 2025 for information on the amount of net turnover.

Biogenic emissions tCO₂	2025	Comments
Scope 1 (direct emissions)	0.1	
Scope 2 (indirect emissions, market-based)	3,148.0	
Scope 3 (indirect emissions)	272.8	
Upstream transportation and distribution	12.4	Excluding Air freight and Sea freight
Waste	69.0	
Business travel & Employee commuting	78.1	Excluding Hotel Nights, Air travels, and Vehicle rental in spend
Total	3,420.9	

This year's inventory of biogenic CO₂ emissions covers Scope 1, Scope 2 and selected Scope 3 categories as presented in the table. Within Upstream transport and distribution, air and sea freight have been excluded because supplier data lacks verified information on biofuel or biomass content. The same applies to hotel nights, air travel and car hire within the categories Business travel and Employee commuting. The Scope 3 category Purchased goods and services is excluded due to insufficient primary data for reliable estimates. Ellos Group has initiated the collection of primary data from Tier 1 suppliers with the aim of including these data in future reporting.

Ellos Group applies different methods and assumptions to calculate and measure its Scope 1, 2 and 3 GHG emissions. These are outlined below.

Scope 1

Ellos Group's direct emissions within Scope 1 are very limited and consist of refrigerant refills and fuel for company cars, the majority of which are electric. The data used for the calculations is obtained from invoices from the refrigerant supplier and information on mileage for company cars. A detailed description is available in E1-3 Actions and resources in relation to climate change policies.

Scope 2

Actual consumption data from electricity and district heating suppliers are used as the basis for Scope 2 calculations. For 2025, 75% of MWh within Scope 2 are attributable to purchased electricity and heating, where consumption is covered by guarantees of origin and certificates for renewable energy in accordance with Bra Miljöval from Borås Energi. The significant decrease in 2025 compared to 2024 in both market-based and location-based emissions is explained by changes in emission factors and the active choice of low-emission products.

Scope 3

Inköpta varor och tjänster

Purchased products account for 99.8 per cent of the Group's total emissions. In calculating CO₂e for this category, the starting point is the product's weight and material, together with primary data on energy consumption from a large share of the production suppliers for products under the Group's own brands. Product data is sourced from the Group's product data and business systems. Weight is available for all products. For materials, 95 per cent of the product data is complete, while the remaining portion is extrapolated based on existing and identified data to ensure full coverage of emissions from purchased products. The emission factors used are global industry averages for materials and processes.

In addition to products, packaging materials are included in the Purchased goods and services category. For e-commerce packaging, primary data from the Group's packaging supplier is used. For product and transport packaging provided by product suppliers, the calculations are based on standard values specific to different product categories.

Upstream transport and distribution

Ellos Group collaborates with a total of 20 carriers for inbound and outbound transport, who provide data on tonne-kilometres and CO₂e emissions.

Fuel- and energy-related activities

This Scope 3 category includes the extraction, production and transport of fuels used for electricity generation, fuel consumption, heating and cooling within Ellos Group's operations. Data is based on Scope 1 and 2 reporting.

Waste generated in operations

All waste generated within the Group's own operations is collected by a contracted waste management provider and recycled to the greatest possible extent. Detailed data on waste volumes and associated CO₂e emissions is obtained through the provider's customer portal.

Business travel

Data on flights, train journeys and hotel stays are obtained through the Group's travel agency and customer data from train operators.

Employee commuting

An annual survey is conducted among the Group's employees to map their choice of transport and the number of kilometres they commute to the workplace. In 2025, the response rate was 62 per cent, and the data was extrapolated to represent the entire workforce.

Omitted Scope 3 categories

In CO₂e-calculations, Use of sold products and End-of-life treatment of sold products have been excluded. Ellos Group offers a wide range of product categories, and there is currently no established industry average for factors such as the number of washes for clothing and home textiles or the lifespan of home furnishings. Including these factors in the calculations would introduce a high level of uncertainty, and they have therefore been excluded. Capital Goods has been excluded from this year's emissions calculation as this category represents a very small share of Ellos Group's total emissions and is therefore not considered material. Ellos Group will assess whether the category should be included in future, and if necessary, the base year will also be recalculated to ensure accurate and transparent reporting. The categories Upstream leased assets, Downstream transportation and distribution, Use of sold products, Downstream leased assets, Franchises and Investments have been omitted as they are not relevant to Ellos Group's operations.

Ellos Group does not carry out its own calculations of emission factors. Where carbon dioxide equivalents are missing, the conversion to CO₂e is made through an external platform (CEMASys: All-in-One ESG & Sustainability Platform). The Cemasys' model is based on the GHG Protocol and includes an extensive database covering global emission factors. Where possible, primary data from suppliers is used. Primary data is obtained for the Scope 3 categories Upstream transportation and distribution, Waste generated in operations and Business travel, which together account for 5.3 per cent of Scope 3 emissions. The greenhouse gas emission data has not been validated by an external body.

E1-7 GHG removals and GHG mitigation projects financed through carbon credit

During 2025, Ellos Group did not engage in any greenhouse gas removal activities or the purchase of carbon credits.

E1-8 Internal carbon pricing

Ellos Group does not currently apply internal carbon pricing.

ESRS E2 POLLUTION

Ellos Group offers a wide range of products, which means the Group relies on raw materials and natural resources. The extraction and processing of these materials impact the environment, including air, soil and water, throughout various stages of the supply chain

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to pollution were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		Upstream	Own operation	Down-stream	Short-term	Medium-term	Long-term
POLLUTION							
Pollution to air, soil and water in upstream and downstream value chain	Actual negative impact	•		•	•	•	•
Chemicals in manufacturing process	Potential negative impact	•		•	•	•	•
Emission of microplastics through washing	Actual negative impact			•	•	•	•

Impact, risk and opportunity management

E2-1 Policies related to pollution

The main impact from pollution arises in the Group's upstream value chain through production, during transportation both upstream and downstream in the value chain, as well as during the use and washing of products sold by the Group in the downstream value chain. Ellos Group's environmental efforts are guided by national legislation, EU regulations and voluntary standards. Increased requirements reflect a growing awareness of the impact of chemicals on health and the environment, and Ellos Group strives to meet consumers' growing expectations for quality and safety. To reduce negative environmental impacts, the Group continuously works on improving its processes.

The Environmental Policy and Product Policy serve as guidelines to minimise the negative impact of pollution, both within the company's operations and across the entire value chain. These policies include guidelines on chemical usage, waste reduction and actions to limit emissions from transportation. The policies also outline the Group's aim to increase the use of organically grown materials, which contributes

to reducing soil pollution.

Environmental and product policies are complemented by governing documents such as the Supplier Code of Conduct and the Supplier Manual. Ellos Group's Supplier Code of Conduct clarifies the requirements placed on suppliers in relation to reducing pollution to air, water and soil and the management of emissions. Suppliers must comply with applicable environmental laws and work continuously to improve their environmental performance through management systems that ensure compliance and ongoing development. A central element is the reduction of chemical use to deliver safe products and protect the environment. Suppliers must hold the necessary environmental permits and manage emissions to air and water as well as hazardous waste in accordance with applicable regulations. All waste must be stored and disposed of correctly, and personnel must be trained in safe handling.

In chemical management, full compliance with laws and regulations is required, and all chemicals used must be documented and handled in accordance with safety data sheets. Only authorised substances may be used, in line with Ellos Group's Supplier Manual. The Group applies a Restricted Substances List (RSL) and a Manufacturing Restricted Substances List (MRSL) to prohibit or limit hazardous substances such as per- and polyfluorinated substances, flame retardants and PVC, and ensures compliance with EU regulations such as Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Persistent Organic Pollutants (POPs).

The policies currently do not include the limitation of negative impacts relating to microplastics or how to avoid incidents and emergencies connected to pollution or substances of concern. The Board has the ultimate responsibility for approving the Environmental Policy and the Product Policy. The operational responsibility for implementation and compliance with these policies lies with Ellos Group's Sustainability Director.

E2-2 Actions and resources related to pollution

For products under the Group's own brands, Ellos Group has implemented bans on the use of substances of concern and substances of very high concern. The substances covered are regulated through an RSL (Restricted Substances List) and an MRSL (Manufacturing Restricted Substances List). Suppliers are informed of these requirements through the Supplier Manual, an appendix to the Group's supplier agreement. During 2025, a mapping was initiated of which of the Group's suppliers for own-brand products have an external chemical inventory system. This will influence the supplier's score in an upcoming evaluation system.

The Group does not sell products containing hazardous chemicals according to the RoHS Directive or the REACH Regulation. For products under the Group's own brands, there is a ban on PVC (except for PVC in electrical cables), PFAS, antibacterial additives and flame retardants in textile products, leather and footwear as well as moisture absorbers containing DMFu. Efforts are underway to ensure that external brands also adhere to these guidelines.

Compliance with the Group’s policies is ensured through chemical testing before the production start of products under the Group’s own brands. Particular focus is placed on verifying test results for high-risk products such as baby clothing and food contact materials (FCM) – Food Contact Material). To proactively manage substances of very high concern, ongoing research is monitored, allowing for phase-out before substances are added to restriction lists. For external brands, suppliers are required to have their own RSL and procedures for controlling chemical use in their products.

Microplastics are small plastic particles, often less than 5 millimetres, that can be released from synthetic textiles during manufacturing, use and washing. These particles end up in watercourses and ecosystems, where they can be harmful to wildlife and potentially impact human health through the food chain. The Group is aware of the environmental and health risks posed by microplastics, especially within the textile industry. The Group is actively working to reduce the amount of microplastics by exploring more sustainable material alternatives.

Ellos Group’s actions to address pollution are expected to result in fewer hazardous chemicals in products and across the production chain. Through supplier monitoring, bans on high-risk substances and chemical testing, consumer safety is strengthened and environmental impacts are reduced. Mapping suppliers’ chemical management and increasing the use of sustainable materials contribute to reducing emissions of environmentally harmful substances. The measures form an ongoing process aimed at continuous improvement and therefore have no specific end date.

Metrics and targets

E2-3 Targets related to pollution

Ellos Group’s material impacts related to pollution are primarily found in the production stage of the Group’s products. The Group does not have detailed knowledge of these emissions and has therefore not yet set specific targets for pollution. Despite this, indirect measurement and steering take place, for example through the Group’s Climate Action Plan. This plan includes clear targets for reducing the use of fossil fuels, which in practice leads to reduced emissions to air. In addition, the Group works actively to increase the share of organic and more sustainable materials in production, which further contributes to reducing the overall environmental impact from pollution. Through these overarching climate and material targets, positive effects are achieved that also include reduced emissions of harmful substances, even though specific pollution-related targets have not yet been established. Targets related to air pollution are addressed under the climate change section, while targets for soil pollution are described in the section on resource use and circular economy. The Group has currently not set any specific targets related to water pollution or microplastics.

The Group’s own operations, which include offices and warehouses in Borås, do not cause emissions to soil, air or water.

In the Group’s value chain, chemical use primarily occurs within the Tier 2–4 supplier tiers. The aim

going forward is to ensure that all suppliers have a chemical management system in place. The Group is continuing to work on processes for monitoring and tracking this, as well as setting clear targets for chemical testing of finished products.

Currently, the Group is unable to measure the effectiveness of policies and actions related to pollution impacts. However, this is something the Group strives to be able to assess in the future as part of the development of targets and strategies.

E2-4 Pollution of air, water and soil

Ellos Group’s significant environmental impacts related to pollution originate primarily in the value chain rather than in the Group’s own operations. Against this background, the Group does not specifically report on pollutant emissions or on the occurrence and use of microplastics arising from its own operations.

ESRS E3 WATER AND MARINE RESOURCES

Ellos Group relies on water for raw material supply and product processing, which results in water consumption in areas where availability is limited. Water-intensive activities such as cotton cultivation, dyeing, washing textiles and other wet processes often take place in regions experiencing water scarcity

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to water resources were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
WATER RESOURCES							
Water consumption in the manufacturing process in upstream value chain	Actual negative impact	•			•	•	•
Water scarcity in the upstream value chain	Risk	•				•	•

Impact, risk and opportunity management

E3-1 Policies related to water and marine resources

Water has been identified as a negative impact and risk in the upstream value chain, primarily in connection with cotton cultivation and with dyeing, washing and finishing processes in textile production. These processes are both water-intensive and risk causing water pollution through wastewater discharge. Ellos Group's policies related to water are therefore focused on the upstream value chain.

During the use phase of the Group's products, additional water consumption occurs through customers' washing and care. Since customers are mainly located in the Nordic countries and Northern Europe, areas with low water scarcity, this phase is not covered by any specific policy. The same applies to the Group's own operations in Borås, which is not located in a high water-stress area. Sustainable oceans and seas are not included in the Group's policies.

Through the Group's Purchasing Policy and Design Policy, along with clear targets, the Group's purchasing of goods is directed towards certified materials and processes that require less water. By choosing resource-efficient production methods and non-conventional materials, Ellos Group aims to reduce water use and avoid pollution. The Group's Supplier Manual includes chemical-related requirements, as described under E2 Pollution, which are intended to reduce negative impacts on, among other things, water. In the Group's Supplier Code of Conduct, suppliers' responsibility to provide unrestricted access to clean water for their workers is established.

Group Management has the ultimate responsibility for approving the Design Policy and the Purchasing Policy. The operational responsibility for implementing and ensuring compliance with these policies lies with Ellos Group's Sustainability Director.

E3-2 Actions and resources related to water and marine resources

Ellos Group currently has no actions that are directly targeted at water use within the supply chain. However, the Group works indirectly to reduce impacts by prioritising certified materials and processes that contribute to lower water consumption and reduced discharges of pollutants to water. These efforts form part of the Group's broader sustainability work and aim to promote more responsible production. Examples of textile sustainability certifications that contribute to lower water use and/or reduced water pollution include GOTS (Global Organic Textile Standard), which sets strict requirements for both water consumption and wastewater treatment throughout the production chain. The Better Cotton Initiative (BCI) also works actively to reduce water consumption and improve water quality in cotton cultivation. Another example is LENZING™ ECOVERO™ viscose, which is produced from certified renewable wood sources in a process with significantly lower water consumption and reduced environmental impact compared with conventional viscose production. ECOVERO™ fibres are also produced at facilities that meet high environmental standards, where water emissions are managed more responsibly. For both cotton and

viscose, Ellos Group has targets and follow-up related to certified materials, which are described in more detail under E5 Resource use and circular economy. Jeanologia is a company that has developed innovative technologies for the textile industry, particularly within denim production. Their technologies, including laser and ozone, enable significant reductions in water use and chemical discharges during the washing and finishing of jeans. In some cases, water consumption can be reduced by up to 95 per cent compared with traditional methods, while water emissions are minimised. Of Ellos Group's denim production under its own brands, 68 per cent is certified by Jeanologia.

Ellos Group seeks to increase its understanding of water use in the production of products under the Group's own brands. This is done through the external platform Worldfavor, where suppliers are asked to respond to questions concerning, among other things, water consumption and water pollution. To date, the data collected has covered Tier 1 suppliers, where water use is generally low as operations mainly consist of sewing and product assembly. Going forward, Ellos Group aims to collect equivalent data from Tier 2 suppliers, where more water-intensive wet processes take place. The purpose of this is to use the information to steer production towards more sustainable suppliers and thereby reduce the overall environmental impact within the supply chain. This work is an ongoing process without a specific end date.

Metrics and targets

E3-3 Targets related to water and marine resources

Ellos Group's material impact and risk related to water are primarily found in the production stage for the Group's own products. Data collection from Tier 1 suppliers has been initiated, but these data need to be verified and analysed before Ellos Group can establish measurable and time-bound targets related to water resources.

E3-4 Water consumption

The Group's own operations are located in an area without water risk and receive water supply and wastewater management from Borås Energi och Miljö. All water is treated and returned for reuse. In 2025, the total water consumption amounted to 7,469 m³. The data is validated by Borås Energi och Miljö, ensuring accuracy and transparency.

ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Ellos Group sells clothing, home textiles and furnishings – industries with significant sustainability challenges. The textile sector is a major consumer of resources, including materials for products and packaging, as well as energy throughout the value chain. The Group works actively to address these challenges by choosing materials and production processes that are better for the environment. Ellos Group aims to offer timeless, high-quality products that customers can use for a long time and encourages customers to recycle their clothing, textiles and furniture.

Material impacts, risks and opportunities
 In the double materiality assessment, material impacts, risks and opportunities related to resource use and circular economy were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
RESOURCE USE AND CIRCULAR ECONOMY							
Waste in own operations and in value chain	Actual negative impact	●	●	●	●	●	●
Use of virgin raw material	Actual negative impact	●			●	●	●
Recyclability of products	Actual negative impact			●	●	●	●
Increased raw material costs due to resource scarcity	Risk	●				●	●

Impact, risk and opportunity management

E5-1 Policies related to resource use and circular economy

Ellos Group has established several policies that together form the foundation for its work on resource use and the circular economy. These policies cover the entire value chain and are intended to ensure a systematic and long-term approach to sustainability

Design Policy

The Design Policy sets clear requirements that all products under the Group’s own brands must be designed with sustainability as a starting point and in preparation for forthcoming legislation on sustainable products and the circular economy (Ecodesign for Sustainable Products Regulation, ESPR). The policy covers the entire life cycle of the product – from material selection and production to use, repair, recycling and reuse. Particular emphasis is placed on reducing environmental and climate impacts by increasing the share of recycled materials, reducing waste, extending product lifetimes, improving recyclability through mono-material design and using energy-efficient processes.

Purchasing Policy

The Purchasing Policy, which focuses on the purchasing of goods for the Group’s own brands, regulates the selection of suppliers and materials with the aim of increasing the share of environmentally and climate-friendly materials such as organic cotton, recycled polyester and FSC-certified wood. The policy prescribes that materials with a low climate impact must be prioritised. Furthermore, the policy covers transport issues, where air transport is prohibited, with only tightly regulated exceptions, as of 2025, as well as consolidation of materials and suppliers to increase resource efficiency.

Environmental Policy

The Environmental Policy expresses the Group’s overarching commitment to reducing environmental impacts, protecting ecosystems and working towards climate neutrality. The policy covers the entire value chain and includes targets for energy efficiency, the transition to renewable energy, reduced emissions (specifically Scope 3), sustainable transport and packaging, as well as recycling and waste management.

Resource use is managed through requirements for sustainable and certified material choices, prioritisation of materials with low climate impact, consolidation for resource efficiency, energy-efficient and water-efficient processes, targets for reduced waste and increased recycling and strict requirements for suppliers to comply with environmental and CSR standards.

Circular economy principles are promoted through design for the full life cycle, ensuring that products can be recycled, repaired and reused. Mono-material design facilitates recycling, and product life is extended by classic design and standardised components. Packaging must be recyclable, and the ambition is to achieve 100 per cent recycled material in packaging by 2030. Return handling and complaint management aim to minimise waste.

The Board has the ultimate responsibility for approving the Environmental Policy, while the Design Policy and the Purchasing Policy are approved by Group Management. The operational responsibility for implementation and compliance lies with Ellos Group's Sustainability Director.

E5-2 Actions and resources related to resource use and circular economy

Material selection

Cotton accounts for 30 per cent of the textile content in products under Ellos Group's own brands. Cotton is a resource-intensive fibre, both in terms of cultivation and production processes. Therefore, a long-standing decision has been made to use more sustainable cotton in the production of the company's product range, aiming to reduce the use of water, chemicals and energy. More sustainable cotton is defined as organic cotton, recycled cotton, or cotton certified by the Better Cotton Initiative (BCI). The target is for 100 per cent of the cotton in Ellos Group's products under its own brands to come from more sustainable sources.

By using recycled materials, the environmental impact from the production of virgin raw materials can be reduced. The challenge lies in finding substitutes for existing fibres with a lower environmental impact, while maintaining the company's high quality standards. In 2024, Ellos Group continued to expand its in-house developed range of products made from recycled materials, such as recycled polyester and recycled polyamide. To ensure that the materials are recycled and free from harmful substances, the Group requires that they are certified according to standards such as the Global Recycling Standard (GRS) or Recycling Claim Standard (RCS).

In the fashion segment, viscose is an important fibre, and measures have been taken to replace conventional viscose with more sustainable alternatives. In 2025, 79 per cent of all viscose in the Group's own brands was made from the more sustainable viscose fibre Lenzing EcoVero. This viscose fibre is made from more sustainably sourced wood, coming exclusively from certified and controlled sources. The fibre is certified according to the EU's official sustainability label (EU Ecolabel), ensuring that the material meets strict sustainability requirements throughout its entire lifecycle. The production of Lenzing EcoVero fibre results in up to 50 per cent lower emissions and water impact compared to regular viscose.

Home furnishings is a major product category for Ellos Group, and wood is one of the most important materials within this range. The world's ancient forests are being logged at an alarming rate, which endangers threatened species, communities and our climate. Therefore, it is crucial that the wood in the Group's products comes from responsible and legal logging. All wood and paper products comply with the EU Timber Regulation No. 995/2010, which ensures legal logging. In addition, 68 per cent of all wood products under the Group's own brands are FSC-certified, which guarantees that the wood comes from a forest management system that considers both people and the environment.

Ellos Group can influence the sustainability of its products but has limited control over consumer behaviour, such as how many times products are used before being discarded. However, by working with mono-materials, recycling once the products reach the end of their lifecycle can be facilitated. 52 percent of Ellos Group's textile products under the Group's own brands are made from mono-materials, meaning they are produced from a single fibre type rather than mixed fibres. This makes them much easier to recycle, as sorting and separating different materials is not required. By increasing the share of mono-materials in its products, Ellos Group contributes to a more circular textile industry. The Group hopes that this initiative will lead to greater availability of textile-to-textile recycled fibre.

Packaging and waste management

Ellos Group actively works to reduce the environmental impact of packaging. The Group's e-commerce packaging consists of 80 per cent recycled consumer plastic and 20 percent recycled industrial plastic, which reduces CO₂e emissions per bag by 58 per cent compared to virgin plastic. Cartons are primarily made of recycled paper with a layer of virgin paper to ensure strength.

By minimising the number of discarded products, Ellos Group places significant focus on improving product and packaging design. Through consistent efforts throughout the value chain, high-risk products are identified to better withstand logistics flows and thereby generate a lower share of waste. Products with damaged packaging are repacked and can be resold to customers. Products that are still damaged despite efforts are given a chance for continued use through sale in Ellos Group's Outlet store, where they are sold at a reduced price.

Expected results and future actions

By increasing the proportion of recycled materials and reducing waste, Ellos Group contributes to more sustainable resource use and reduced CO₂e emissions, which is also a key part of the Group's transition plan. The majority of the implemented measures apply to products under the Group's own brands, which comprise 67 per cent of the total number of products sold. In 2025, a structured effort was initiated to collect more detailed information on the materials used in products from external brands, including the share of certified materials. This information enables the Group to steer purchasing from external brands towards more sustainable alternatives.

The work to improve resource efficiency and transition to more sustainable materials is an ongoing process. The long-term goal is for 100 per cent of textile materials under own brands to be certified or recycled by 2030. Ellos Group's systematic efforts to identify and address products that generate a high number of complaints or waste are directed towards both its own brands and external brand suppliers. The implementation of planned measures does not require any significant operating expenditure (OpEx) or capital expenditure (CapEx).

Metrics and targets

E5-3 Targets related to resource use and circular economy

Ellos Group has set clear targets to improve resource usage and promote a circular economy, with targets that are measurable, time-bound and focused on tangible results. These targets reflect the Group's commitment to minimising environmental impact and increasing the degree of circular material use in products.

<i>More sustainable material</i>	2025	2024	Target 2025	Target 2030
Share of more sustainable textile product sales within own brands (%)	65	57	50	100
Share of more sustainable cotton in products within own brands (%)	96	95	100	100
Organic cotton (%)	53	49		
BCI cotton (%)	42	46		
Recycled cotton (%)	1	0		
Share of recycled polyester and polyamide in products within own brands (%)	64	57	50	100
Share of EcoVero viscose in products within own brands (%)	79	67	50	100
Share of FSC-certified solid wood furniture in products within own brands (%)	69	52	50	100

Share of recycled polyester and polyamide in products within own brands

Ellos Group aims for 100 per cent of the polyester and polyamide under the Group's own brands to consist of recycled material by 2030. This target relates to increasing the degree of circular material use and minimising the use of primary raw materials. It directly links to product resource inflows and aligns with material recycling at level 3 of the waste hierarchy. The waste hierarchy is an EU directive governing waste management, consisting of five levels: prevention, reuse, recycling, energy recovery and disposal. Progress towards the target is monitored quarterly to ensure advancement and identify any challenges in a timely manner. The target was established, and measurements began in 2019, when the share of recycled polyester and polyamide was only 1 per cent. An interim target of 50 per cent was set for 2025, which has been exceeded by a wide margin, as the share for 2025 was 64 per cent.

Share of more sustainable cotton in products in own brands

Ellos Group aims for 100 per cent of the cotton in products under the Group's own brands to come from more sustainable sources by 2030. More sustainable cotton is defined as organic cotton, recycled cotton or cotton certified by the Better Cotton Initiative (BCI). This target relates to increasing the degree of circular material use and to more sustainable sourcing of raw materials. The target is linked to resource inflows of products. The target was established and measurement began in 2018, when the share of more sustainable cotton was 81 per cent. For 2025, the share amounted to 96 per cent, as certain fibre blends with a low percentage of cotton may have limited availability of certified fibre. The majority of the more sustainable cotton comes from organic cotton, which now accounts for 53 per cent, an increase compared with 2024 when the share was 49 per cent.

Share of EcoVero viscose in products in own brands

Ellos Group aims for 100 per cent of the viscose in products under the Group's own brands to be certified with Lenzing EcoVero by 2030. This target relates to more sustainable sourcing of raw materials. The target is linked to resource inflows of products. The target was established and measurement began in 2023, when the share of viscose certified with Lenzing EcoVero was 37 per cent. An interim target of 50 per cent was set for 2025, which has been exceeded by a wide margin, as the share for 2025 was 79 per cent.

Share of FSC-certified wooden furniture in products in own brands

Ellos Group aims for 100 per cent of wooden furniture in products under the Group's own brands to be FSC-certified by 2030. This target relates to sustainable sourcing of raw materials. The target is linked to resource inflows of products. The target was established and measurement began in 2019, when the share of FSC-certified wooden furniture under the Group's own brands was 0 per cent. An interim target of 50 per cent was set for 2025, which has been exceeded by a wide margin, as the share for 2025 was 69 per cent.

Share of sales of more sustainable textile products in own brands

Ellos Group aims for 100 per cent of sales of textile products under the Group's own brands to be more sustainable than conventional alternatives by 2030. More sustainable means that the textile material holds a certification that verifies lower environmental impact, traceability or animal welfare. This target is linked to resource outflows of products. The target was established and measurement began in 2019, when the share of sales of more sustainable textile materials under the Group's own brands was 19 per cent. An interim target of 50 per cent was set for 2025, which has been exceeded by a wide margin, as the share for 2025 was 65 per cent.

Data on materials and certifications is sourced from the Group's BI system. The level of data completeness for products under the Group's own brands is high, and no changes have been made to data sources or processes during the defined measurement period, which means that the 2025 results are fully comparable with the base years for the measurements. Ellos Group's targets go beyond legislative requirements, reflecting the Group's commitment to improving resource efficiency, promoting the circular economy and minimising environmental impact throughout the value chain. Ellos Group strives to report its targets and progress in a transparent manner.

E5-4 Resource inflows

Ellos Group's resource inflows comprise a wide variety of products, including clothing, home textiles and home furnishings, as well as the packaging for these, resulting in a broad range of materials. In 2025, the Group's products contained more than 170 different materials, including detailed classifications of different wood species and plastic types. During 2025, the total volume of purchased goods increased, leading to a 6 per cent increase in total weight. The most commonly used materials in the Group's products are:

<i>Resource inflows materials 2025</i>	Weight ton
Polyester	2,371
Cotton	1,723
MDF	1,498
Steel	653
Iron	619
Polypropylene	477
Chipboard	410
Glass	408
Plywood	391
Pine	364

Of the total material consumption of biological materials, approximately 40 per cent consisted of biological resources from sustainable sources according to certified systems that guarantee responsible production practices. The Group ensures the reliability of sustainably sourced biological materials by purchasing only materials with recognised certifications such as GOTS, OCS, BCI, FSC and EcoVero. In total, 1,786.7 tonnes of the material flow consisted of reused or recycled materials, equivalent to 12.2 per cent of total resource inflows.

<i>Resource inflows</i>	2025	2024
Total Weight of Products and Materials (tonnes)	14,705.7	13,818.3
Weight of technical Products and Materials (tonnes)	8,896.9	8,307.5
Weight of Biological Products and Materials (tonnes)	5,808.7	5,510.9
Percentage of Biological Materials Sustainably Sourced (%)	39.9	38.7
Total weight of secondary materials (tonnes)	1,786.7	1,029.2
Percentage of secondary materials (%)	12.2	7.4

The reported information on resource inflows and material use has largely been calculated using a direct measurement method, where the weight of purchased materials is carefully monitored. For products, material data is available for 95 per cent of the total weight, while the remaining share is estimated through an extrapolation based on available information for each product group. For packaging, the Group has detailed data on packaging material purchased directly, while product and transport packaging from suppliers is calculated using standard values. In 2026, a new product data system will be implemented, which will further improve the quality of product and packaging data. The reported data on resource inflows has not been validated by an external body.

E5-5 Resource outflows

Ellos Group aims to offer products with a long lifespan that can be reused within a circular flow. For in-house developed products, the Group's Design Policy requires that each product category includes classic and timeless designs to further extend product lifespan. Great emphasis is also placed on ensuring that products can be recycled when they can no longer be used, which is why mono-materials are prioritised.

In certain product segments within furniture, the option to purchase separate covers is available. This allows customers to extend the lifespan of their furniture by replacing worn or stained fabric without having to replace the main product entirely.

Ellos Group works actively to reduce the use of plastic in packaging and is gradually phasing out polystyrene as a packaging material for products under the Group's own brands. Instead, the Group is transitioning to packaging solutions based on paper, wood and plastic alternatives that are more suitable for recycling than polystyrene.

The expected durability of the products launched by the Group is assessed to correspond to the industry average for categories such as clothing, home textiles and furniture. Suppliers of products under the Group's own brands must meet requirements relating to strength, dimensional stability and colour fastness, where the specified requirements are in line with industry standards. To ensure quality, the Group sets product-specific requirements for physical tests using defined scientific test methods. These tests are carried out by accredited laboratories before production begins.

Most textile products in the range can be repaired if the damage occurs in a seam. For certain products, a spare button is included to facilitate repair, although this is done with consideration for overall resource use, as many spare buttons are never utilised. For furniture and other more complex products, spare parts or repair services are not currently offered.

Share of recyclable content

Share of recyclable content in products	2025
Total weight of recyclable content in textile products (kg)	2,685,028
Total weight of products (kg)	4,319,875
Share of recyclable content in products (%)	62.2

Share of recyclable content in packaging	2025
Total weight of recyclable content in packaging (kg)	2,236,386
Total weight of packaging (kg)	2,236,386
Share of recyclable content in packaging (%)	100.0

In calculating recyclable content for products, only textile clothing and home textiles have been included, which account for 38 per cent of resource outflows by weight. Products are defined as recyclable when they consist of at least 95 per cent of a single textile fibre. Packaging is assessed to be 100 per cent recyclable, as no material mixtures are used.

Waste

The Group's waste primarily consists of packaging from logistics operations, with corrugated cardboard accounting for the largest share. Plastic and untreated wood also contribute significant portions of total waste. The Group prioritises minimising the use of packaging materials, but the volume of packaging is closely linked to turnover. In 2025, 87 per cent of the generated waste was sorted into separate fractions and recycled, while 13 per cent was used for energy recovery. Only a negligible share was sent to landfill. Efforts to improve waste sorting and increase the recycling rate are ongoing. Through the Group's waste management service provider, detailed and reliable tracking of all waste from its own operations is obtained, based on direct measurements

In 2025, 729 kg of products were sent for destruction due to mould and pest infestation.

Goods for destruction					
CN code	Product category	Number of units	Total weight (kg)	Cause	Measure
6108	Apparel	400	43.4	Moisture damaged	Destruction
6303	Home textile	31	25.5	Pest infestation	Destruction
9505	Decoration	814	660.4	Moisture damaged	Destruction
	Total	1,245	729.3		

Waste generated by Ellos Group	2024	2023
Total amount of waste generated (tonnes)	725.4	770.1
Total Amount of Waste Diverted from Disposal (tonnes)	628.4	589.7
- Preparation for reuse (tonnes)	-	-
- Recycling (tonnes)	627.5	584.1
- Other recovery (tonnes)	0.9	5.6
Hazardous waste (tonnes) *	0.1	8.1
Non-hazardous waste (tonnes)	628.3	581.6
Total Amount of Waste Directed to Disposal (tonnes)	97.0	180.4
- Incineration (tonnes)	96.5	180.3
- Landfill (tonnes)	0.1	0.1
- Other disposal (tonnes)	0.4	-
Hazardous waste (tonnes) *	-	-
Non-hazardous waste (tonnes)	97.0	180.4
Percentage of non-recycled waste (%)	13.4	23.4
Total Amount of Hazardous Waste (tonnes)	0.1	8,1
Total Amount of Radioactive Waste (tonnes)	-	-

* The lower quantity of hazardous waste reported for 2025 is due to improved categorisation. The 2024 figures reflect an overestimation of hazardous waste, as the classification applied at that time was based on less detailed information.

SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

Ellos Group's employees are the Group's most valuable resource, and the goal is to provide a workplace where employees treat each other with mutual respect and are offered equal opportunities in a safe and creative environment.

Regular employee surveys are conducted to capture issues that are important to the staff, and the Group carries out systematic efforts to ensure employee well-being in the workplace. Creating a meaningful and secure work environment that enhances employee engagement is considered to contribute to Ellos Group's growth strategy.

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to the own workforce were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		Upstream	Own operation	Down-stream	Short-term	Medium-term	Long-term
OWN WORKFORCE							
Health and safety for employees	Actual negative impact		•		•	•	•
Discrimination against employees	Potential negative impact		•		•	•	•

Impact, risk and opportunity management

S1-1 Policies related to own workforce

The Group has policies in place to manage all identified material impacts related to its own workforce. The policies have been developed in accordance with applicable legislation and with the interests of employees in mind. The policies are easily accessible on the intranet. No significant updates to the policies were made during the reporting period.

Human rights

Koncernen respekterar mänskliga rättigheter, inklusive arbetsrättsliga, civila och politiska samt The Group respects human rights, including labour rights, civil and political rights and economic, social and cultural rights. This is set out in Ellos Group's Human Rights Policy, which follows international human rights standards and is based on the OECD Guidelines for Multinational Enterprises. The policy is described in S2-1 Policies related to value chain workers.

Health and safety

Ellos Group works proactively to create a safe working environment for its employees and to promote a healthy lifestyle among its workforce. The work is defined in the Group's The Occupational Health and Safety Policy which without exception covers the entire workforce and all individuals present at Ellos Group's workplaces. The policy requires the reporting of incidents and the analysis of root causes in order to continuously improve the Group's performance in health and safety. The CEO has the ultimate responsibility for the Group's working environment. To achieve the best possible results, responsibility for work environment tasks has been delegated to the relevant managers. The Safety Committee, together with its working committee, plays an active role in ensuring that the Occupational Health and Safety Policy is applied and developed within Ellos Group. The Safety Committee includes appointed safety representatives who represent employees in health and safety matters. They work to promote a safe working environment, monitor protection against ill health and accidents and ensure that the employer meets the requirements of the Work Environment Act. The safety representatives participate in the planning of new or modified premises, equipment, work processes and working methods, in organisational planning and in the use of hazardous chemical substances. They also participate in the development of action plans designed to prevent ill health and accidents. The safety representatives are elected from among members of Handels and Unionen.

Diversity and inclusion

Ellos Group's operations are based on transparency and inclusion, where diversity and equality add value and discrimination is not tolerated. The Group is convinced that encouraging and leveraging differences benefits the business. Both by providing a better understanding of the Group's customers and by increasing creativity and innovation, as well as improving problem-solving capabilities. It also leads to a more interesting and dynamic workplace. To support this, the Group has established an Equality and Diversity Policy, which without exception covers all employees of Ellos Group.

The policy is based on three central areas:

- Diversity and inclusion are crucial for an efficient, professional and profitable business, as well as an important aspect in recruiting, developing and retaining the right talent.
- Salary, employment terms and development opportunities should be structured in such a way that equal opportunities are provided to all employees.
- Ellos Group will acknowledge and respect every individual and has a zero-tolerance policy towards all forms of offensive treatment, harassment, sexual harassment or discrimination based on gender, gender identity or expression, ethnicity, religion or belief, disability, sexual orientation and age.

To achieve the ambition of an organisation that reflects a broad range of perspectives in terms of equality and diversity, the Group works to integrate diversity and inclusion into its processes, routines, common ways of working, tools and corporate culture. The Group also invests in competence development and dialogue to counteract bias and exclusionary attitudes and behaviours. In cases of discrimination, harassment or other forms of abusive conduct, the Group acts decisively.

The CEO has the overall responsibility for ensuring that Ellos Group promotes equality and diversity and for preventing discrimination. The People & Culture Director is responsible for coordinating the work and for developing and following up the Group's diversity and inclusion efforts within Group Management. All managers are responsible for practical implementation and for actively working with equality and diversity issues in their daily work, as well as in recruitment, employee development and team composition.

There are no specific commitments in the Equality and Diversity Policy related to the inclusion or positive action of individuals within the Group's own workforce who may be at particular risk of vulnerability.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Ellos Group is committed to respecting human rights in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. Dialogue with workers' representatives and safety representatives enables the Group to gain insights into the perspectives of its own workforce. Continuously listening to employees, workers' representatives and safety representatives, and acting on feedback is crucial to ensuring a workplace that meets employees' needs and demands, as well as creating an environment where people feel comfortable every day. The Group's intranet provides easily accessible information on the different channels for dialogue between workers and the employer. For example, it includes information on goal- and competence-development reviews, workers' organisations, the individuals within the Group who are appointed as workers' representatives and safety representatives, contact routes to People & Culture, and information about, and a direct link to, the whistleblowing service. This strengthens the Group's ability to understand employees' perspectives, not least the perspectives of those who may be at particular risk of being affected by impacts and/or who are marginalised.

Ellos Group strives for a corporate culture where everyone feels safe to raise important issues and encourages staff to freely express their opinions, even to colleagues in higher positions. To support this, four employee surveys are conducted annually. The surveys provide insights into employees' perceptions of Ellos Group as an employer, their day-to-day work experiences, relationships with colleagues and leaders, and other factors that affect working life. The results of the surveys, which are shared with employees, provide a valuable basis for Group Management and managers to initiate dialogues and identify actions to further improve the workplace.

One of the fundamental measurements in the employee surveys is the Employee Net Promoter Score (eNPS) index. eNPS measures the extent to which employees would recommend Ellos Group as a good place to work. Survey responses are categorised as promoters, passives or detractors. eNPS is calculated as the percentage of promoters minus the percentage of detractors and can range from -100 to +100. In 2025, the average eNPS score was 33 (19). The Group's ambition is to maintain an eNPS above 25.

The People & Culture Director has overall responsibility for monitoring employee engagement, including following up on actions based on the employee surveys and regularly evaluating their effectiveness.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

Access to channels for reporting misconduct promotes a more equal and fair workplace. If an employee experiences bullying, discrimination or harassment, they are encouraged to seek support, primarily by contacting their immediate manager or another manager within the organisation whom they trust, a health and safety representative or someone in People & Culture. If an employee wishes to report anonymously, this is possible through the Group's whistleblowing service. For more information on the whistleblowing service and how whistleblowers are protected against retaliation, see the section on whistleblower protection under Business Conduct.

The Group has procedures in place to monitor and follow up on reports of misconduct submitted through the grievance channels. Incoming complaints are handled by People & Culture, who analyse what has occurred in light of the relevant legislation, speak with the parties involved, verify the facts and identify actions to remedy negative impacts. In cases where Ellos Group has caused or contributed to an employee being adversely affected, the Group assumes responsibility and communicates this to the individual concerned. Should penalties be imposed by, for example, the Equality Ombudsman or the Labour Court, the Group complies with those decisions.

Ellos Group works proactively to ensure that employees are aware of the grievance channels available. Information on reporting procedures and the whistleblowing service is included as a mandatory part of the introduction process for new employees. Regular awareness campaigns are also carried out via various internal channels, such as the intranet, to remind employees of the available grievance channels and encourage them to use them. The effectiveness of these measures is monitored, among other things, through employee surveys, where a specific question addresses whether employees know how to act and whom to turn to if they become aware of bullying, harassment or discrimination. The Group does not currently track employees' confidence in the channels but intends to explore the possibility of introducing this next year.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Incidents that occur, or complaints from employees, are handled in different ways depending on their nature. The immediate manager is often the first point of contact, but safety representatives and People & Culture are also involved in many cases. Incidents are documented in incident reports that are prepared as close as possible to the time of occurrence. The incident reports are signed by the reporter, one of the safety representatives and the immediate manager.

In the report, the superior assesses which specific measures should be implemented to prevent recurrent incidents. All incident reports are sent to the Security Manager who, based on experience and competence, determines whether the incident must be reported to the Swedish Work Environment Authority. The Security Manager compiles annual data on reported incidents and occupational injuries. Analysis and review of events are carried out by department and at the Safety Committee's meetings.

Ellos Group aims to work preventively. There are no material own-workforce sustainability matters without adopted actions. Internal dialogues provide important insights for the development of measures and concrete action plans to ensure that the Group's operations do not cause or contribute to material negative impacts on its own workforce.

The Group addresses negative impacts proactively through policies such as The Occupational Health and Safety Policy and the Equality and Diversity Policy, together with training initiatives covering both physical and psychosocial working environments, equal rights and opportunities, sexual harassment and inclusive leadership. Each year, the Group implements measures to improve employee well-being and to create a meaningful and safe workplace that strengthens employee engagement. Unless otherwise stated, these measures apply to all employees within Ellos Group. The effectiveness of the initiatives is monitored on an ongoing basis through feedback mechanisms, employee surveys and performance and development reviews. The actions do not entail significant operating expenditure (OpEx) or require capital expenditure (CapEx).

Health and safety

The most common work-related injuries within Ellos Group are related to issues with the back, neck and shoulders, where the Group aims to improve workplace ergonomics to reduce the number of injuries. Regular workplace inspections are conducted together with safety representatives, covering both the physical and psychosocial working environment. These inspections are carried out at least once a year and have resulted in reduced risks, an improved working environment and a greater sense of safety. The Group also collaborates with an external partner, a leader in occupational healthcare in Sweden, to reduce sickness absence, increase workplace productivity and provide faster rehabilitation.

In 2025, a number of lectures focusing on health and well-being were held within the Group. All managers were offered a lecture focused on preventing stress and exhaustion. For employees, lectures were provided on stress management and relaxation techniques, balance and enjoyment in working life, and women's health in midlife (the menopause). These initiatives were very well received. The results of an employee survey during the year clearly showed that health and well-being are high priorities. Against this background, the Group intends to further strengthen its initiatives in this area in 2026, including additional working environment training for managers.

The Group also promotes health and well-being through its internal wellness programme, Movement, which offers employees a wide range of wellness activities. During the year, for example, a padel tournament, a golf championship, trail riding and running sessions were arranged. All employees have free access to a gym at Ellos Group's premises, and the Group offers wellness allowances. These measures are considered to strengthen employees' health, well-being and work capacity.

Equality and diversity

The Group strives for a balanced gender distribution at different levels and to be an organisation that reflects society and its customers. In the coming year, training initiatives are planned for managers in inclusive leadership. Through a series of seminars with in-depth workshops focusing on equal rights and opportunities and the prevention of sexual harassment, the Group aims to increase managers' competence in this area. The Group maintains a constant focus on ensuring equal pay for equal positions and competencies when recruiting or promoting employees. To counteract unjustified pay differences based on gender, an annual pay audit is conducted. Training for managers on unconscious bias and preferences is also planned for 2026. The expected outcome of these measures is to prevent the occurrence of discrimination and harassment and to create an inclusive and safe working environment that contributes to a motivated and engaged workforce.

During the year, the Group has taken steps to provide and enable remediation for employees who have been adversely affected by incidents. For more information, see S1-17 Incidents, complaints and severe human rights impacts. All cases have resulted in employment-law measures, information initiatives and training measures to prevent future incidents.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In setting targets, the Group takes into account insights obtained through dialogue between workers and the employer, but no direct consultation with the own workforce takes place. There have been no changes to targets, metrics or the underlying measurement methodology, key assumptions, limitations, sources or data-collection processes since the previous reporting period. Ellos Group ensures data management through internal processes and controls. The measurements reported below have not been validated by any external party other than the assurance provider.

Health and safety

The Group measures sickness absence and the number of work-related accidents and has clear procedures in place to follow up on and act upon the causes of absence resulting from work-related injuries and incidents, including addressing identified risks. There are currently no established measurable, outcome-oriented or time-bound targets related to health and safety. The Group assesses that measuring and analysing outcomes is sufficient to monitor the effectiveness of the actions undertaken. An annual assessment is carried out to determine whether there is a need to establish targets, in order to ensure continuous progress in reducing impacts related to health and safety on workers within the own workforce.

Equality and diversity

To achieve the ambition of an organisation that reflects a broad range of perspectives in terms of equality and diversity, Ellos Group has set targets related to gender balance. One of the targets is a distribution of women and men among all employees of 60/40 per cent. This weighting has been established in recognition of the fact that the Group operates in a female-dominated industry. The Group also strives to achieve a balance between women and men in managerial positions as well as within Group Management. The target is a 50/50 per cent distribution of women and men among managers at all levels and within Group Management. These targets are linked to the United Nations Sustainable Development Goals, Agenda 2030 – Goal 5 – Gender Equality.

The targets are recurring and apply to each full reporting period. Therefore, no milestones or interim targets have been set, nor is there a base year or baseline value from which progress is measured.

	2025	2024
Distribution women/men within the Group (%)	62/38	61/39
Distribution women/men in managerial positions excluding Group Management (%)	55/45	53/47
Distribution women/men within Group Management (%)	38/62	33/67

The distribution of women and men within the Group is calculated based on the average number of employees as reported under S1-6 Characteristics of the undertaking's employees. The distribution of women and men in managerial positions and within Group Management is calculated based on the number of employees as per the balance sheet date.

The distribution for all employees and for those in managerial positions is close to the target levels. Within Group Management, a more balanced gender distribution is being pursued.

S1-6 Characteristics of the undertaking's employees

The Group reports the number of employees based on full-time equivalents. Information used to calculate the average number of employees, the average number of employees by type of employment and employee turnover is obtained from the Group's payroll system and compiled by staff within People & Culture. No estimates are made due to a lack of data.

<i>Average number of employees in the Group by gender</i>	2025	2024
Women	314	305
Men	195	197
Total average number of employees	509	502

<i>Average number of employees in the Group by country and region</i>	2025	2024
Sweden, Borås	509	502
Total average number of employees	509	502

<i>Average number of employees in the Group by employment type</i>	2025			2024		
	Women	Men	Total	Women	Men	Total
Permanent	292	189	481	286	194	480
Temporary	20	3	23	17	1	18
Non-guaranteed hours	2	3	5	2	2	4
Total average number of employees	314	195	509	305	197	502

The average number of employees is determined as full-time equivalents and is calculated as the total number of hours worked during the financial year divided by the contractually defined annual working hours. For on-demand employees, annual working hours have been set at 160 hours (160 hours) per month as a standard value. Hours worked include all time for which the Group has paid salary or other compensation in exchange for work performed. Paid absence, such as holiday leave, sick leave and compensatory leave, is also included. Overtime hours are not included.

Temporary employment mainly consists of parental leave cover. The majority of on-demand employees are school students who assist in logistics operations during peak periods.

The information on the average number of employees for 2025, as described above, corresponds to Note 11 in the financial statements. Due to the fact that the 2024 sustainability statement covers the period 2024-01-01 to 2024-12-31, while the 2024 financial statements cover the period 2024-10-15 to 2024-12-31, the figures for 2024 do not align.

<i>Employee turnover</i>	2025	2024
Employees who left the Group during the reporting period	59	40
Employee turnover rate (%)	11.6	8.0

Reported figures for employee turnover include individuals who have left voluntarily as well as those who have been dismissed, retired or deceased. Employee turnover is calculated as the number of individuals who have left the Group divided by the average number of employees as reported under S1-6 Characteristics of the undertaking's employees.

S1-8 Collective bargaining coverage and social dialogue

All individuals who were employed within Ellos Group, permanent, temporary and on-demand employees, were, without exception, covered by collective agreements and represented by workers' representatives during the reporting period. The Group does not have an agreement with its workers on representation in a European Works Council or a council in a European Company (SE) or a European Cooperative Society (SCE).

Collective bargaining coverage and social dialogue

<i>Coverage rate</i>	Collective bargaining coverage		Social dialogue
	Employed in the EEA	Employed outside the EEA	Workplace representatives
100 %	Sweden	-	Sweden

The coverage rate is calculated based on the number of individuals who were covered by collective agreements and represented by workers' representatives during the reporting period, and the average number of employees. Information on employees is obtained from the Group's payroll system. No estimates are made due to a lack of data.

S1-9 Diversity metrics

<i>Top management level by gender</i>	2025-12-31		2024-12-31	
	Antal	Andel (%)	Antal	Andel (%)
Women	3	37.5	3	33.3
Men	5	62.5	6	66.7

Top management refers to Group Management. The reported figures refer to the number of individuals as at the balance sheet date.

<i>Distribution of employees in the Group by age</i>	2025-12-31	2024-12-31
Employees under 30	118	117
Employees aged 30-50	277	269
Employees over 50 years	213	229
Total number of employees as at the balance sheet date	608	615

Information used to calculate the distribution of employees in the Group by age is obtained from the Group's payroll system. No estimates are made due to a lack of data. The reported figures refer to the number of employees in the Group as at the balance sheet date and therefore differ from the average number of employees reported under S1-6 Characteristics of the undertaking's employees.

S1-10 Adequate wages

Each year, Ellos Group carries out a salary review in accordance with collective agreements, in which minimum wages are clearly stipulated. The collective agreements are negotiated between employers and trade unions and ensure that employees within the EU receive an adequate wage in line with the EU Directive on adequate minimum wages (2022/2041).

<i>Adequate wages</i>	2025	2024
Share of employees not receiving an adequate wage (%)	0	0

S1-11 Social protection

All employees are covered by social protection in the event of income loss due to major life events such as illness, unemployment, occupational injury, parental leave and retirement, in accordance with Swedish legislation.

S1-13 Training and skills development metrics

All employees within Ellos Group have an individual performance and development plan. The plan is established annually in dialogue between the employee and their manager and captures the employee's ambitions, abilities and self-awareness regarding the skills required to reach their goals. The plan also includes development goals based on Ellos Group's values and for managers based on Ellos Group's leadership competencies. The plan forms the basis for individual performance discussions held between the employee and their manager twice a year.

The Group measures the share of employees who complete performance and development reviews, disaggregated by women and men. The Group also measures training hours, disaggregated by women and men. The information used for these calculations is obtained from the Group's HR system and compiled and verified by staff within People & Culture.

The reported figures for performance and development reviews are based on the number of individuals who have registered and approved goals. Training hours refer to hours registered at individual level by the responsible manager or by the employee. In calculating the shares, the denominator used is the average number of women and men according to S1-6 Characteristics of the undertaking's employees.

During the reporting period, 89 per cent of employees had a performance and development review with their manager. The remaining employees did not have a review due to parental leave or other leave of absence. The distribution between women and men was as follows:

<i>Completed performance and development reviews, by gender</i>	2025	2024
Women (%)	90.8	-
Men (%)	86.7	-

In 2025, a total of 4,267 training hours were successfully completed. This corresponds to an average of 8 hours of training per employee. The distribution between women and men was as follows:

<i>Average number of training hours per employee, by gender</i>	2025	2024
Women (h)	7	-
Men (h)	10	-

S1-14 Health and safety metrics

100 per cent of the Group's employees are covered by Ellos Group's occupational health and safety system in accordance with Swedish work environment legislation and the regulations of the Swedish Work Environment Authority.

<i>Occupational fatalities, accidents and injuries</i>	2025	2024
Work-related fatalities (number)	-	-
Work-related accidents (number)	22	30
Lost days due to work-related injuries (number)	227	3
Frequency of work-related accidents	25	35

The reported figures for work-related fatalities include both employees and non-employees within the Group's own workforce.

Work-related accidents refer to incidents that occur when a worker performs work within the scope of their employment at Ellos Group and sustains an occupational injury that is reported to the Swedish Work Environment Authority. Incident reports form the basis for the numbers reported, and it is the responsibility of the Manager to compile this information annually. The reported figures cover the Group's employees.

Lost days due to work-related injuries are calculated based on the incident reports and the number of sick-leave days registered in the payroll system. The reported figures cover the Group's employees. Staff within People & Culture are responsible for preparing and verifying the data.

The frequency of work-related accidents refers to the number of cases per million hours worked. Work-related accidents have decreased during the year, but one of the reported incidents resulted in long-term sick leave. This is the reason why the number of lost days is much higher for 2025.

Reporting of cases related to work-related ill-health is not carried out due to legal restrictions on the collection of such information.

S1-15 Work-life balance metrics

All employees of the Group are based in Sweden, where the right to family-related leave is legislated through the Act on the Right to Leave for Urgent Family Reasons (Lag om rätt till ledighet av trängande familjeskäl, 1998:209) and the Parental Leave Act (Föräldraledighetslag, 1995:584).

<i>Work-life balance metrics</i>	2025			2024		
	Women	Men	Total	Women	Men	Total
Right to family-related leave (%)	100.0	100.0	100.0	100.0	100.0	100.0
Use of family related leave (%)	61.1	36.4	51.7	36.7	22.8	31.3

The ratio of employees taking family-related leave is based on the number of employees who have taken such leave in relation to the number of employees entitled to family-related leave. The information used for the calculation is obtained from the payroll system and covers the Group's employees during the reporting period. Staff within People & Culture are responsible for preparing and verifying the data.

S1-16 Remuneration metrics (pay gap and total remuneration)

Below is the reported percentage difference between the pay of women and men, as well as the ratio between the total remuneration of the highest-paid employee, the CEO, and the median remuneration of all other employees within Ellos Group. No adjustment has been made for purchasing power differences between countries, as all employees are based in Sweden and receive salary in SEK.

The gender pay gap is the difference between the average pay levels of female and male employees, expressed as a percentage of the average pay level of male employees. Gross hourly pay is used as the basis for the calculation. Since most employees in the Group receive a monthly salary, this has been converted into an hourly rate by multiplying by twelve and dividing by the contractually defined annual working hours. The pay data used is the same as that applied in the annual pay audit.

The data was collected at a specific time during the year. The Group assessed that this has only a marginal impact on the results, as the underlying variables show low variation and are expected to be representative regardless of the exact collection date within the year. On-demand employees are not included in the calculation, and absence or part-time work has not affected the pay gap.

The CEO-to-employee pay ratio is calculated as the CEO's total remuneration for the year (including fixed and variable pay and taxable benefits) divided by the median annual remuneration (including fixed and variable pay and taxable benefits) of all other employees during the reporting period. Pensions have been excluded from the calculation.

The information used for the calculations is obtained from the payroll system. Staff within People & Culture are responsible for preparing and verifying the data.

<i>Ersättningsmått och ersättningsindikatorer</i>	2025	2024
Gender pay gap (%)	4.4	10.5
CEO compensation in relation to employees (ratio)	11.8	15.5

In 2025, the gender pay gap decreased. This is primarily attributed to the Group's targeted efforts over recent years to address the gap. Active collaboration between managers and People & Culture has been promoted to balance and ensure equality in the salary structure across the organisation

The CEO's compensation relative to employees decreased from 15.5 to 11.8, which is due to the variable components of the CEO's compensation.

S1-17 Incidents, complaints and severe human rights impacts

Incidents, complaints and severe human rights impacts related to the own workforce

	2025	2024
Incidents of discrimination, including harassment (number)	4	0
Complaints submitted through grievance mechanisms (number)	8	0
Complaints reported through the OECD National Contact Points for Multinational Enterprises (number)	0	0
Amount of fines, sanctions and compensation resulting from incidents and complaints (SEK M)	0.2	0
Cases of severe human rights impacts (number)	0	0

In 2025, eight complaints were reported through the grievance mechanisms, of which four cases concerned work-related incidents resulting from discrimination or harassment within the own workforce. All cases resulted in measures being taken, including information and training initiatives to prevent recurrence. The four discrimination-related incidents also resulted in employment-law actions.

The Group has paid fines and penalties linked to employment-law disputes amounting to 0.2 SEK M. None of these fines or penalties concerned discrimination, harassment or cases of severe human rights impacts.

Data related to the number of incidents and complaints is collected through the whistleblowing service WhistleB and other available grievance channels. All incoming cases received are compiled, analysed and assessed by the whistleblowing team. The documentation procedure was introduced in 2025, and it is possible that additional cases might have been identified had the Group initiated the compilation process earlier in the year. The amounts of fines, sanctions and compensation are obtained from formal decisions issued by authorities, trade unions, courts and similar bodies. Staff within People & Culture and Finance & Legal are responsible for preparing and verifying the data.

ESRS S2 WORKERS IN THE VALUE CHAIN

Ellos Group takes a comprehensive approach to its value chain and strives to ensure that human rights are respected at every stage. The Group believes that a sustainable business is not only about environmental aspects but also about social responsibility and fair working conditions.

Through a long-term and responsible approach, Ellos Group aims to contribute to a more ethical and transparent textile and home furnishings industry. Collaboration and dialogue are seen as crucial to driving positive change and ensuring that the people working within the value chain are treated with respect and have fair conditions.

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to workers in the value chain were identified in connection with the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
WORKERS IN THE VALUE CHAIN							
Working conditions in the upstream value chain	Potential negative impact	•			•	•	•
Work-related rights in the upstream value chain	Potential negative impact	•			•	•	•

Impact, risk and opportunity management

S2-1 Policies related to value chain workers

Human Rights Policy

Through its Human Rights Policy, Ellos Group is committed to respecting fundamental human rights for all individuals throughout the value chain. The policy is based on the UN Guiding Principles on Business and Human Rights and requires the Group to prevent its operations from causing harm to people and their rights. The policy also includes due diligence processes to identify, prevent and address risks of negative human rights impacts. Particular focus is placed on labour rights issues such as working environment, living wages, working hours, freedom of association, collective bargaining, forced labour and child labour. Human trafficking is not currently covered in the policy, but the intention is to integrate this in the next revision. The policy is embedded in the Group's operational standards and governance practices and applies to employees as well as suppliers and business partners.

Supplier Code of Conduct

Ellos Group's Supplier Code of Conduct requires all suppliers of products under the Group's own brands to follow international conventions and national legislation relating to worker safety and working conditions. The policy explicitly prohibits forced labour, child labour and human trafficking and requires a safe and healthy working environment. Suppliers must respect freedom of association and the right to collective bargaining. The policy refers to and is aligned with the ILO Declaration on Fundamental Principles and Rights at Work and other relevant international standards.

In the Group's agreements with suppliers of external brands, suppliers are required to have a Supplier Code of Conduct that follows internationally accepted standards. During 2025, data collection from suppliers of external brands was initiated to ensure compliance. Furthermore, all new suppliers of external brands must respond to questions regarding their human rights practices before they can be approved. If a supplier does not meet a selection of fundamental requirements, they are required to present an action plan explaining how these will be met within six months. If not, Ellos Group will choose not to carry their products.

The Group's policies are designed to align with internationally recognised norms, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Convention on the Elimination of All Forms of Discrimination against Women. The policy states that where national law conflicts with international norms, national law shall be respected while the Group strives to uphold the principles of international human rights.

During 2025, Ellos Group identified several deviations from the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. These deviations, concerning workers in the upstream value chain, were identified during audits. They primarily related to working environment and safety conditions and insufficient conditions for fair wages.

Key components of the Human Rights Policy and Supplier Code of Conduct include:

- Commitment to respecting human rights throughout the value chain.
- Identification and prioritisation of the most material risks of negative impacts on people, particularly within labour rights.
- Requirements for suppliers to follow the Supplier Code of Conduct and carry out regular audits and follow ups.
- Annual review of risks together with internal and external stakeholders.
- Possibility for employees and business partners to report violations through a whistleblowing system.

Ellos Group carries out annual reviews of the most material human rights risks. Both the Supplier Code of Conduct and the Human Rights Policy emphasise the importance of meaningful engagement with affected stakeholders to ensure that their perspectives are considered when policies are designed or revised. Both documents are available on Ellos Group's website. The Group also requires that the Supplier Code of Conduct be posted at all supplier facilities producing products for the Group's own brands, in a location that is easily accessible to all workers.

During the reporting year, the Human Rights Policy was updated with clear guidelines for incident management. The Supplier Code of Conduct is unchanged from the previous year.

The Board of Directors has the ultimate responsibility for adopting and overseeing the Human Rights Policy and the Supplier Code of Conduct. The operational responsibility for implementation and compliance lies with Ellos Group's Purchasing Director and Sustainability Director respectively.

S2-2 Processes for engaging with value chain workers about impacts

Dialogue with stakeholders on social matters in the upstream value chain is carried out on an ongoing basis through a range of initiatives. Factory audits are conducted regularly by a nominated third party in accordance with the Amfori BSCI and Sedex SMETA standards, which are designed to follow the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. An inspection is generally carried out every 12–24 months. Ellos Group is also a member of Amfori, which through its global network works to promote more sustainable trade.

To verify compliance with applicable regulations and obtain an objective view of the working environment, anonymous interviews with workers are conducted during these audits. This method enables workers to describe their experiences and knowledge of workplace rights without influence, which in turn provides a

basis for comparing formally documented policies and procedures with actual conditions. For particularly vulnerable workers, such as migrant workers, specific questions are asked to ensure correct payment and that they are not required to surrender their passports. Employees within the global sourcing team are responsible for collecting and following up on audit results, ensuring that all documentation is handled correctly and that any necessary actions are taken.

Significant information exchange with suppliers and workers takes place when Ellos Group employees conduct site visits at supplier factories, primarily in China, India and Bangladesh. The purpose of these visits is to promote open and transparent dialogue to ensure alignment on expectations relating to working conditions, climate action, quality improvements and other sustainability initiatives. Through meetings and site visits, Ellos Group gains deeper insight into how suppliers and factories work with matters related to human rights and working conditions, both at an overall and detailed level. The Group sees great value in personally meeting its suppliers and their employees to discuss various issues and gain a better understanding of each other's operations and strategies.

To assess the effectiveness of engagement, Ellos Group follows up results through audits, worker interviews and established grievance mechanisms. Based on these insights, strategies are adjusted continuously to best meet and prioritise workers' needs. Ultimately responsible for ensuring that the results are used to shape the Group's strategy is Ellos Group's Sustainability Director.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Compliance with the Group's Supplier Code of Conduct is a central part of ensuring good working conditions and a safe working environment throughout the supply chain. In cases of identified breaches of the Supplier Code of Conduct, or failure by a supplier to meet audit requirements, the Group follows a clearly defined procedure to address these deviations. The process begins with a thorough analysis of the underlying causes of the identified issue, with the purpose of identifying any recurring or systemic problems. This analysis forms the basis for determining the corrective actions needed and for preventing similar situations in the future.

Workers in the value chain can use several dedicated channels to raise concerns or needs directly with Ellos Group. These include an anonymous whistleblowing service available via the Group's website. To ensure the effectiveness of the service, the Group's whistleblowing policy specifies strict measures against retaliation to guarantee confidentiality and safety. In addition, through its collaboration with the International Accord, Ellos Group has access to their grievance mechanism in Bangladesh. All channels are open to workers and other stakeholders.

Ellos Group requires all suppliers to inform their employees about the possibility to report suspected or actual violations through the whistleblowing service. This requirement is clearly anchored in the Group's Supplier Code of Conduct. Suppliers must also establish secure and confidential workplace level grievance channels, which are monitored continuously through audits and worker interviews to ensure that information is reaching workers and that the channels are used. Amfori BSCI audits include specific assessments of workers' awareness of and trust in grievance mechanisms. Identification of challenges regarding trust leads Ellos Group to work actively to strengthen suppliers' internal channels and increase workers' confidence and awareness. All documentation regarding grievances and actions taken is maintained carefully. Collaboration with external stakeholders, such as the International Accord and Amfori BSCI, contributes to a transparent and robust monitoring process.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Ellos Group has established a comprehensive and systematic approach to preventing and reducing negative impacts on workers in the value chain. Before business relationships are initiated, all new suppliers of products for the Group's own brands, which account for 61 per cent of sales in value, undergo a thorough assessment based on a range of environmental and social criteria. Relevant third-party certificates based on the Amfori BSCI or Sedex SMETA 4-Pillar standards are collected and verified. In addition, all suppliers must sign and comply with the Group's Supplier Code of Conduct before any orders are placed.

At existing suppliers for the Group's own brands, regular third-party inspections are carried out with more than 200 control points, including document review, interviews with workers and management, and inspection of production units and staff facilities. The inspections focus on a wide range of areas, including working environment and safety, discrimination and ethical working conditions, fair wages, decent working hours, freedom of association, child labour and forced labour. As women's vulnerability in the value chain has been identified as a potential negative impact, particular attention is given to ensuring women's rights and safety. Once an inspection report has been received, it is assessed using Ellos Group's own social sustainability grading system, developed in collaboration with Bureau Veritas. The grading system is based on Amfori BSCI but has been complemented with questions relating to women's rights and safety, as well as a clearer breakdown according to the nature and severity of risks, including risks of severe personal injury and hygiene-related risks. The proprietary grading system enables validation and comparison of inspection reports from different standards systems such as Amfori BSCI and Sedex SMETA. Suppliers are classified according to four levels: A–Green, B–Blue, C–Orange and D–Red. If deviations are identified during audits, a Corrective Action Plan (CAP) with clear timelines is established. CAPs may include measures such as process improvements, training and implementation of revised policies, depending on the severity and type of deviation. Auditors verify that these measures have been implemented through follow-up assessments. If a supplier does not address serious or repeated violations, the business relationship may be reconsidered or terminated, always taking into account the potential negative impact

such a termination could have on workers. The effectiveness of the measures is assessed through the number of suppliers in each grading level A–D. Targets have been set to increase the share of suppliers in the higher grading levels, as described under S2-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities.

The Group also works proactively to prevent child labour and forced labour by using certified natural fibres where social conditions are integrated.

The corrective action plans aim to ensure continuous improvements in factory conditions and to develop sustainable working practices to improve working conditions, increase safety and strengthen compliance with human rights. Inspections at suppliers are carried out regularly, at intervals of 12–24 months, and the objective is that all suppliers of the Group's own brands have approved audit reports from the past 24 months.

No severe human rights issues or incidents related to workers in the value chain were reported in 2025. The measures are ongoing, integrated into Ellos Group's regular operations, and no specific operating expenditure (OpEx) or capital expenditure (CapEx) has been allocated.

Partnerships

In due diligence work, the Group has identified a higher risk for health and safety issues in Bangladesh and Pakistan. To strengthen fire safety and building safety in factories in these countries, Ellos Group collaborates with International Accord. All factories participating in International Accord are inspected in three areas: fire safety, electrical safety and building construction. Through the agreement with International Accord, Ellos Group has committed to driving corrective action plans for improvements in factories where Ellos Group is the Lead Brand. Within the International Accord, grievance mechanisms are also used, through which factories can report social sustainability issues, which are handled and followed up by Ellos Group's CSR department.

To ensure, in a coordinated and structured way, that a human rights due diligence process is in place also for the suppliers of external brands sold by the Group, where the Group does not have direct control over the value chain, the Group collaborates with a network of European e commerce companies within fashion and home furnishings, as well as human rights NGOs, under the umbrella of The Industry We Want (TIWW). In 2025, the network developed processes for collecting data from these suppliers, which will also provide clear information on any shortcomings in their due diligence processes. The ambition is to launch the tool in 2026.

Due diligence process for human rights

Ellos Group's due diligence process for human rights is based on the OECD Due Diligence Guidelines for Responsible Business Conduct. The process is integrated into relevant business processes and in the management of suppliers. An assessment is always conducted before the Group accepts a new supplier of products under its own brands and only suppliers with an approved social audit are allowed to collaborate with Ellos Group.

The performance of all suppliers is monitored through an annual process called Perfect Supplier Base (PSB), where an evaluation is made based on risk perspectives, sustainability performance and business performance. The most prominent risks for human rights violations that Ellos Group works with include:

- Occupational health and safety
- Discrimination and ethical working conditions
- Fair living wages
- Decent working hours
- Freedom of association and collective bargaining
- Combating forced labour and child labour

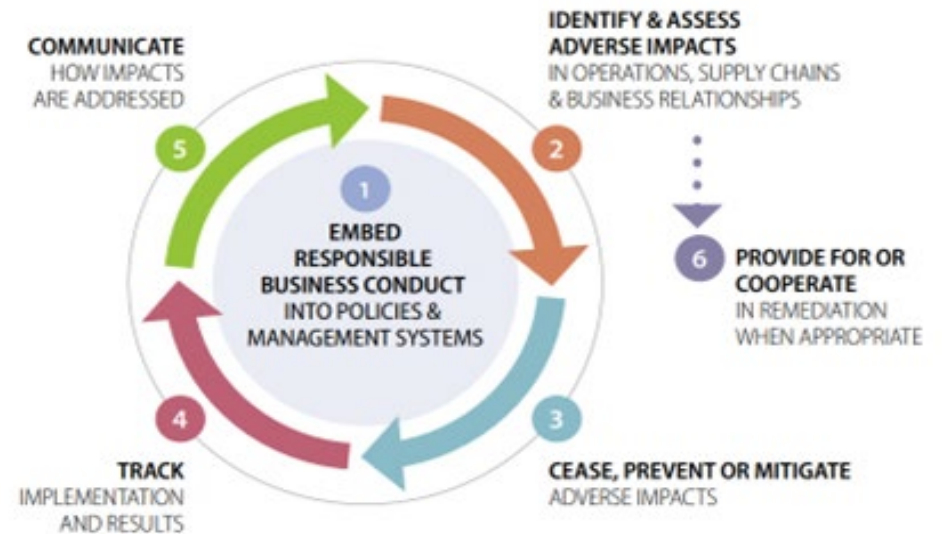
If risks are identified in the social compliance audit, an action plan is established, and Ellos Group collaborates with the supplier to manage and reduce the risk. The figure to the right summarises how the Group manages human rights in its operations through six steps.

1. Ellos Group has adopted Responsible Business Conduct (RBC) policies based on the OECD Guidelines. They are an integrated part of the Group's management structure and business operations. The policies are regularly reviewed to maintain their effectiveness and are actively communicated to suppliers and business partners to promote compliance and responsible practices throughout the supply chain.
2. A comprehensive assessment identifies where the risk of negative impact on human rights is highest, based on country, sector, product, raw materials, and business risk. The most significant risk areas are prioritized, and each supplier relationship is evaluated. This results in a risk assessment that indicates where efforts should be directed moving forward, either per supplier or based on critical risk areas.
3. Actions are taken to address systematic issues and update policies and management systems, support suppliers in preventing or reducing negative impacts, use influence to affect actors causing negative impacts, and as a last resort, terminate the business relationship.

4. Based on the actions decided, Ellos Group monitors and tracks its targets through quarterly updates to Group Management. Third-party audits are used as a key tool to identify and follow up on risks, ensuring improvements through action plans. This enables the Group to take immediate action in response to critical risks.

5. Ellos Group's work on human rights is an integrated part of its operations and is communicated internally as well as in close collaboration with the Group's partners and their suppliers on an ongoing basis.

6. In collaboration with local third-party organisations, Ellos Group ensures that actions have been completed and that the affected individual has been compensated.



Metrics and targets

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In line with the Group’s Human Rights Policy, and with the objective of promoting a safe working environment, fair wages, decent working hours, freedom of association and preventing discrimination, child labour and forced labour, Ellos Group has established measurable and time bound targets related to workers in the value chain. The targets are designed to mitigate potential negative impacts in the value chain and to ensure that the Group’s actions contribute to positive development. The targets are measured as a percentage of the total number of suppliers for Ellos Group’s products under the Group’s own brands (Tier 1) and are monitored annually to ensure continuous improvement. The targets, which have not changed in 2025, were established by an experienced internal team consisting of specialists within CSR and Sourcing. External stakeholders have not been involved in setting or evaluating the targets.

Target: 100 per cent of suppliers under the Group’s own brands (Tier 1) must have an approved audit report from the past 24 months (%)

The Group only collaborates with suppliers who have undergone and received an approved inspection from an independent third party organisation. This is a central part of the company’s social sustainability strategy, in which an external party assesses and verifies how suppliers manage these issues. The Group’s objective is that all suppliers of products under the Group’s own brands (Tier 1) must have an approved audit report from the past 24 months. The target is stable and has not changed over time.

	2025	2024
Number of active private label suppliers (Tier 1) at the end of the year	233	238
Share of active private label suppliers (Tier 1) with an approved review protocol from the past 24 months (%)	100%	100%
Number of reviewed protocols for active private label suppliers (Tier 1) during the year	125	160

Target: 90 per cent of active suppliers under the Group’s own brands (Tier 1) must achieve a Blue or Green rating

Each inspection report is assessed using Ellos Group’s social sustainability grading system, developed in collaboration with Bureau Veritas. Based on Amfori BSCI and validated by Bureau Veritas, the grading system is designed to align with internationally recognised standards, including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Convention on the Elimination of All Forms of Discrimination against Women.

Suppliers are classified into four levels: A–Green, B–Blue, C–Orange and D–Red. The classification is based on the number of deviations in factory inspection reports, as well as the severity and type of deviations according to a well-defined scoring system. Deviations are defined across four levels: Zero Tolerance, Critical, Major and Minor. The objective is that 90 per cent of active suppliers under the Group’s own brands (Tier 1) achieve the two highest levels by the end of 2030. At the end of 2025, the figure was 87 per cent. The target was established in 2024 with a baseline of 81 per cent. The target is considered stable over time, as the four social sustainability grading levels remain unchanged. Ellos Group’s Supplier Code of Conduct is continuously updated to reflect current legal requirements, but the overall methodology and measurement approaches remain consistent.

Score	Number	%
A. Green	23	9.9%
B. Blue	180	77.3%
C. Orange	17	7.3%
D. Red	13	5.6%
Total number of suppliers	233	100%

ESRS S4 CONSUMERS AND END-USERS

Ellos Group is dedicated to protecting customer privacy, delivering products that are safe to use, strengthening women's self esteem through inclusive marketing and ensuring transparency and accuracy in all communication.

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities related to consumers and end-users were identified in the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
CONSUMERS AND END-USERS							
Personal data and credit information	Potential negative impact			•	•	•	•
Product safety	Potential negative impact			•	•	•	•
Responsible portrayal of women	Potential negative impact			•	•	•	•
Responsible marketing related to consumer credit	Potential negative impact			•	•	•	•
Unauthorised disclosure of personal data and credit information	Risk		•			•	•

Impact, risk and opportunity management

S4-1 Policies related to consumers and end-users

The Group has policies in place to manage the identified material impacts related to personal data and credit information, as well as product safety. The policies have been developed in accordance with applicable legislation and with customers' interests in mind. No significant updates to the policies were made during the reporting period. A policy for responsible marketing has been developed but has not yet been formally approved by Group Management.

Human rights

The Group respects human rights, including the right to personal safety, as set out in Ellos Group's Human Rights Policy. The policy follows international human rights standards and is based on the OECD Guidelines for Multinational Enterprises. The policy is described in S21 Policies related to value chain workers. Ellos Group conducts an annual systematic review of the most material human rights risks that may affect consumers and end users. The review is based on insights gathered through continuous customer dialogue, external analyses and other relevant sources of information. The purpose is to ensure an up-to-date and comprehensive risk assessment and to identify any need for measures to strengthen the protection of human rights in the business. For further information on how customer dialogue is conducted, see section S42 Processes for engaging with consumers and end users about impacts below.

No cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises in the downstream value chain were reported during the reporting period.

Personal data and credit information

Ellos Group works proactively with data protection matters. The guidelines for this work are set out in the Data Protection Policy, which applies to all employees within Ellos Group as well as to the Board of Directors. The work is further specified in the Privacy Policy and the Cookie Policy. Ellos Group safeguards its customers' privacy and is transparent towards customers regarding how their personal data is processed. Information is provided by making the applicable policies available before data is collected and subsequently in connection with purchases and other communication. The Privacy Policy is designed in accordance with applicable law, including the EU General Data Protection Regulation (GDPR), and contains clear information on, among other things, which data is collected and how it is used. The policy also informs customers of their right to lodge a complaint with IMY, Sweden's national supervisory authority for the processing of personal data.

Product safety

Product safety is regulated in the Group's Product Policy, which applies to all employees within Ellos Group who work with product suppliers. The policy aims to ensure that products meet the requirements and standards established, among other things, by the General Product Safety Regulation (GPSR). The policy includes guidelines for risk assessment, testing and quality control to minimise potential hazards and protect consumers' health and safety. It also includes guidelines for transparency within Ellos Group, enabling consumers to access information about a product's manufacturing.

Responsible marketing

Ellos Group complies with applicable legislation and regulatory requirements regarding marketing. The Responsible Marketing Policy, which applies to all employees within Ellos Group, describes how the Group works to promote inclusion, safeguard and protect the economic interests of consumers and end users, and ensure the right to transparent and accurate information.

Ellos Group's core customer is the woman in midlife, and the Group works specifically to strengthen women's self esteem and promote a positive self image through its marketing and product range. This includes providing a broad size range and highlighting diversity among women in marketing channels by featuring different identities, bodies, ages and expressions. In accordance with applicable legislation on digital accessibility, Ellos Group also works to ensure that the Group's websites are accessible to consumers with different types of disabilities. Beyond meeting legal requirements, the Group is dedicated to continuously improving the user experience and enhancing digital inclusion for all users.

The Group strives to communicate price adjustments, service fees and cancellation terms in a clear manner. Ellos Group is also committed to ensuring transparency regarding financing and payment options, and provides clear information about interest, fees and total financial obligations, including the Swedish Consumer Agency's warning text *Att låna kostar pengar*". This aims to prevent vulnerable customers from increasing their debt levels and placing themselves in a worse financial situation.

Ellos Group aims to be honest and clear in all communication. Information about the Group's products, including prices and content, must be transparent. The Group works continuously to ensure that marketing material is accurate and does not mislead consumers regarding the benefits of the Group's products and services. The objective is to empower consumers by providing them with reliable information so they can make well informed purchasing decisions.

The person ultimately responsible for each policy is stated on page 15. The policies have been developed with consideration of insights into customer needs collected from consumers and end users through customer surveys and customer service channels, as well as applicable regulations and societal expectations.

S4-2 Processes for engaging with consumers and end-users about impacts

Ellos Group communicates actively with customers through customer service channels, the website and social media. Communication takes place continuously and in various contexts, including in connection with complaints about faulty products, suspected product related injury or other situations where customers need assistance or wish to provide feedback. Contact may occur before, during or after a purchase. There is also a dedicated email address for the Group's Data Protection Officer, to which customers can turn with privacy related questions. The dialogues are used as input when decisions are made and activities are developed to manage negative impacts on consumers and end-users. The Customer Service Manager has the operational responsibility for ensuring active engagement with consumers and for ensuring that their feedback is considered in the Group's decision making and improvement processes. The Data Protection Officer oversees that the work is carried out in accordance with GDPR and provides advice on relevant data protection matters.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Ellos Group is attentive to customers' views and committed to responding quickly to customer feedback. For this reason, the Group has introduced various customer service channels through which consumers and end users can submit complaints and comments and have them investigated. In 2025, the available channels included email, telephone, chatbot and an AI driven FAQ.

The Group's customer service employees work daily to resolve customer issues. Every case is documented carefully to ensure traceability of the process and the rationale behind the decisions taken. Remedies may be provided in different ways depending on the nature of the case. Customers may be compensated through, for example, repair, product replacement, price reduction, cancellation of purchase or reimbursement of costs.

Ellos Group also has processes in place enabling customers to exercise their data protection related rights, such as the right to erasure, the right of access to their personal data through a subject access request and the right to object. Customers can easily exercise their rights by contacting Ellos Group via email or telephone.

The Group's processes ensure continuous dialogue with the individual who has submitted a complaint, from the moment a case is received until it is closed. All complaints are handled confidentially and with respect for privacy and data protection. Employees working with these cases receive internal training to ensure they understand the organisation's obligations and the customer's rights under GDPR.

The Group assesses the effectiveness of the measures taken and customers' trust in the channels by measuring the Customer Satisfaction Index (NKI). External mechanisms such as Trustpilot and Net Promoter Score (NPS) are also used to gain insights into customer satisfaction with the purchase and service experience.

Ellos Group's Whistleblowing Policy protects individuals from retaliation when they use the available grievance channels. For further information on how the Group protects whistleblowers, see G1 1 Business conduct policies and corporate culture.

Information on available communication channels for consumers and end users can be found on the Group's websites and in the Privacy Policy. The channels are available to customers in all markets where Ellos Group operates.

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Ellos Group works actively to manage potential negative impacts on consumers and end-users. Customer dialogues provide important insights when developing relevant measures to ensure that the Group's operations do not cause or contribute to material negative impacts. By focusing on data-protection-related matters, testing and risk-based controls for product safety, as well as diversity in marketing campaigns and transparent communication, the Group aims to protect consumers and prevent potential negative impacts. The measures also aim to reduce the risk of reputational harm, liability for damages and penalties resulting from breaches of legislation.

These measures, described below, are ongoing and continuously developed based on customer feedback and changes in regulations. The effectiveness of the initiatives is monitored on an ongoing basis through feedback mechanisms such as the Customer Satisfaction Index (NKI), Trustpilot and Net Promoter Score (NPS). The measures do not require significant operating expenditure (OpEx) or capital expenditure (CapEx) beyond the ordinary budget.

Personal data and credit information

Ellos Group is not legally required to appoint a Data Protection Officer. However, in order to ensure effective management of GDPR related risks, the Group has chosen to appoint one. The Data Protection Officer handles data protection related matters on a daily basis within Ellos Group's operations across all markets, primarily Sweden, Norway, Denmark and Finland but also several other countries in Europe. The Group has also established an internal body, the GDPR Council, which consists of representatives from Group Management, Legal and customer facing operations. The Council meets regularly and when needed to address data protection matters, decide on priorities and manage identified risks.

The Data Protection Officer works according to an annual cycle with recurring activities such as reviewing the process register, updating policies, delivering training and performing checks of the Group's data protection work. Reporting of identified risks is carried out regularly to management and is also summarised in an annual report to the GDPR Council and the CEO. The Data Protection Officer monitors developments in the legal landscape as well as any complaints or supervisory cases at the data protection authority, in order to proactively help the organisation stay updated on changes.

The Group works strategically with data protection in its processes and has IT systems with robust technical safeguards and appropriate access controls to prevent personal data and credit information from being stolen, destroyed or disclosed to unauthorised parties.

Product safety

To reduce risks related to product safety, the Group has introduced a ban on the use of certain substances in products and production processes. This includes substances that may be carcinogenic, endocrine disrupting or toxic to reproduction. These substances are listed in the Restricted Substances List (RSL) and the Manufacturing Restricted Substances List (MRSL). Further information is provided in E22 Actions and resources related to pollution.

Ellos Group conducts mandatory testing and risk based controls to ensure that the Group's products meet applicable quality, chemical and safety requirements before they reach the market. This work covers all product categories under the Group's own brands and is based on established test plans and risk assessments. Testing is carried out by external independent laboratories in China, Bangladesh and India, and, when necessary, in the Group's own testing facility in Borås during the development and production phases, as well as on finished products. Ellos Group does not permit animal testing. For products where Ellos Group acts as the distributor of external brands, risk based spot checks are carried out based on product category and applicable legislation.

Children's clothing constitutes a high-risk segment and is subject to specific requirements. All children's clothing under the Group's own brands is tested in accordance with the applicable European standard (EN 14682). For products under external brands where Ellos Group acts as distributor, specific risk-based controls are applied. Requirements and testing are based on the legislation applicable to the markets where the products are offered.

The Group's internal quality and testing team is responsible for ensuring that the processes are followed. In the coming years, the Group intends to increase the number of tests and controls.

Responsible marketing

Ellos Group is committed to marketing its fashion products in a responsible manner across all marketing channels in Sweden, Norway, Denmark, Finland, Germany and the Netherlands. The Group works with a wide range of models who together reflect the diversity of society. Ellos Group celebrates the female body and is restrictive in its use of retouching. Internal guidelines emphasise the importance of respecting what is natural. Models' bodies must be shown as they are, which means that no alterations are made to the shape of the female body and no adjustments are made to irregularities, stretchmarks or wrinkles.

During the year, the Group continued to create campaigns within the fashion segment that highlight women of different ages, ethnicities and body types in order to promote diversity and strengthen women's self esteem. A new communication concept, Full of life, focusing on women in mid life with the aim of making them feel strong, vibrant and full of life, was launched in the Swedish, Norwegian, Danish and Finnish markets.

Responsible marketing also means that the Group designs and sends offers to customers in a privacy conscious manner and provides a clear and simple process for customers to opt out of further marketing.

To strengthen the positive customer experience and ensure compliance with the Act (2023:254) on the accessibility of certain products and services, the Group has during the year worked on the development and adaptation of digital interfaces for all Group brands: Ellos, Jotex, Homeroom and Elpy. This has included modifications to four parts of the customer experience: shopping, check-out, Elpy and returns, to enable better accessibility for people with, for example, impaired vision, reduced mobility or individuals who are less familiar with digital technology.

Incoming customer complaints are handled in different ways depending on their nature. Ellos Group's customer service is often the first point of contact. Thereafter, additional departments, such as Finance & Legal, including the Data Protection Officer, may be involved. The Group's internal procedures for handling cases ensure a prompt response, identification of appropriate measures and resolution. For a description of these processes and the monitoring of their effectiveness, see S43 Processes to remediate negative impacts and channels for consumers and end users to raise concerns. Customers have, on several occasions during the year, received remediation, for example in the form of repair, product replacement, price reduction, cancellation of purchase or financial compensation. Complaints and compensation claims are analysed on an ongoing basis to improve product safety and product quality.

In 2025, no severe human rights issues or incidents related to consumers and end users were reported.

Metrics and targets

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

There are currently no established measurable, outcome oriented or timebound targets related to personal data and credit information, product safety or responsible marketing. The Group assesses that the existing follow-up of customer service cases, cases involving the Data Protection Officer or the legal counsel, and the number of product recalls is sufficient to monitor the effectiveness of its policies and actions. There is no established level of ambition, baseline year or baseline value from which progress is measured.

The Sustainability Manager, together with the responsible director within Group Management, conducts recurring evaluations of the need to establish targets to ensure continuous progress in reducing the risk of negative impacts related to consumers and end users.

GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

Ellos Group’s operations are based on honesty, integrity and the commitment to “do the right thing.” The foundational approach is that the business should be conducted in a responsible and long-term manner

Material impacts, risks and opportunities

In the double materiality assessment, material impacts, risks and opportunities within business conduct were identified in connection with the following areas. Further descriptions of these impacts and risks are provided in SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

		<i>Upstream</i>	<i>Own operation</i>	<i>Down-stream</i>	<i>Short-term</i>	<i>Medium-term</i>	<i>Long-term</i>
BUSINESS CONDUCT							
Poor corporate culture	Potential negative impact		•		•	•	•
Insufficient protection of whistleblowers	Potential negative impact	•	•		•	•	•
Animal welfare	Potential negative impact	•			•	•	•
Long payment terms for goods suppliers	Potential negative impact	•				•	•
Corruption and bribery	Potential negative impact	•	•	•	•	•	•

Impact, risk and opportunity management

G1-1 Business conduct policies and corporate culture

Business ethics

Employees within Ellos Group encounter financial, technical, commercial and ethical challenges daily. Through the Group’s business conduct guidelines across various areas, the Group strives to maintain a sound corporate culture with high integrity. All employees, managers, senior executives and members of the Board must adhere to these guidelines. They provide important guidance on expected behaviour within Ellos Group and in interactions with stakeholders.

The Board holds ultimate responsibility for oversight and must ensure that the necessary business conduct guidelines and policies are in place. The CEO, who also holds overall responsibility for compliance, is responsible for ensuring compliance with these guidelines and policies. Group Management is responsible for fostering a culture of business integrity and leading by example. The competence of the Board of Directors and Group Management in matters related to business conduct is described in GOV-1 The role of the administrative, management and supervisory bodies.

The business conduct guidelines cover topics such as bribery and corruption, competition, trade sanctions, sponsorships and donations, diversity and integrity. For a full list of the Group’s business conduct guidelines, see page XX.

Employees play a key role in identifying any deviations from the Group’s business conduct guidelines and values, and to ensure awareness among employees of the Group’s business conduct policies, regular information campaigns are carried out. The Code of Conduct and other policies are highlighted annually in various contexts, such as at internal company-wide meetings, and are discussed within departments and in smaller groups. Training on the policies is also included as a mandatory part of the onboarding process for new employees. People & Culture is responsible for this introduction. The Group currently does not have a policy for training on business ethics but intends to review the need to introduce one.

The Group identifies actions that violate the law, the Group’s Code of Conduct or internal rules through the reporting channels available. Investigations are conducted primarily by People & Culture. Depending on the nature of the matter, different individuals within the Group may become involved, such as the General Counsel or the Chief Financial Officer. Independent auditors or other external parties or independent investigators are involved when necessary.

Corporate culture

The Group actively works on corporate culture based on the core values of Entrepreneurship, Humble Winners and Joy. These values are intended to serve as a compass, guiding actions and communication. They are further specified through the business conduct guidelines.

Some key principles are:

- Communicate openly, honestly and clearly.
- Act with respect, consideration and responsibility towards one another.
- Encourage courage and independent decision-making. An enabling climate is the foundation for taking initiatives.
- Prevent, identify and manage conflicts of interest.

The values, together with goal fulfilment, form the basis for the overall performance assessment conducted annually by managers. This creates incentives for each employee to act in a desirable manner and contribute to a continued successful and positive corporate culture.

Corruption and bribery

The Group applies a policy to prevent corruption and bribery, which is designed in accordance with the UN Convention against Corruption. The Group also has established procedures to quickly, independently and objectively investigate matters related to responsible business conduct, including suspected cases of corruption or bribery. For further information, see section G1 3 Prevention and detection of corruption and bribery.

Protection of whistleblowers

Ellos Group has established channels for whistleblowing. Employees can report concerns primarily by contacting their immediate manager, another trusted manager within the organisation, one of the safety representatives or someone within People & Culture. If an employee or an external party wishes to report anonymously, this is possible through the Group's whistleblowing service. All information submitted to the whistleblowing service is handled securely. All whistleblowers are protected under the Swedish Whistleblower Act, and confidentiality and anonymity apply in the handling and investigation of reports. The Group's Whistleblowing Policy states that a whistleblower who raises a genuine concern or suspicion in line with the Group's guidelines will never risk losing their job or suffering any form of sanctions or personal disadvantage as a result of their report.

The whistleblowing service is administered by an external impartial service provider, ensuring the anonymous handling of reported cases. The service enables encrypted dialogue between the Group's whistleblowing team and the reporting individual. The Group's whistleblowing team consists of the Sustainability Manager, the People & Culture Director, the Security Manager and the General Counsel.

These individuals receive continuous further training within their respective professional areas, as well as joint training sessions specifically related to the handling of whistleblowing cases.

To ensure awareness among employees of the whistleblowing service, regular information campaigns are carried out, and information about the service is easily accessible on the intranet.

The whistleblowing service is also available to workers employed by suppliers of products under the Group's own brands in the upstream value chain. Suppliers receive information about the service during the contracting process and are, in accordance with the Group's Supplier Code of Conduct, required to inform their employees of this possibility.

Animal welfare

Ellos Group safeguards animal rights and considers animals, as sentient beings, to have the right to be treated with respect. When products are made from materials of animal origin, the Group requires that the animals are treated well.

Ellos Group is a member of the Fur Free Retailer programme. This programme is supported and endorsed by the Fur Free Alliance, an international coalition of leading animal and environmental protection organisations.

Animal welfare is an important part of the Group's Product Policy. The policy states that Ellos Group:

- Does not sell products containing real fur.
- Does not accept mulesing of merino sheep to prevent flystrike.
- Is restrictive in the use of down and feathers, accepting only down and feathers as a by product of meat production. Live plucking is not permitted.
- Does not accept angora wool in any products.
- Accepts only leather from animals bred for meat production.
- Does not accept animal testing, either during production or on finished products.
- Does not accept products containing materials from endangered species.

Suppliers of products under the Group's own brands as well as suppliers of external brands must approve these requirements in order to be accepted as suppliers.

G1-2 Management of relationships with suppliers

It is important for Ellos Group’s customers, employees, suppliers and owners that the Group’s products are manufactured with respect for the people who produce them, as well as for the environment. Ellos Group strives to ensure fair working conditions and respect for human rights throughout the value chain and believes that close dialogue and cooperation with suppliers are necessary to achieve this. Together with suppliers, continuous work is carried out to improve sustainability in the value chain.

Ellos Group prioritises long term supplier relationships in order to increase cost efficiency over time, reduce disruptions in the supply chain and ensure good working conditions and environmental considerations in production. As a result of this, the Group increased the average order value with its suppliers by 14 per cent during 2025 compared with the previous year.

The Group’s purchasing behaviour affects conditions for suppliers, their sub suppliers and their employees. Ellos Group aims to act as a responsible purchaser in matters of importance in the upstream value chain, including pricing and negotiations, forecasting and planning, as well as order placement. The Group’s Purchasing Policy aims to provide clear guidelines for everyone working with product procurement and regulates, among other things, material selection, supplier selection, payment terms and delivery times.

When establishing agreements with product suppliers, reasonable payment terms according to market standards are set, normally 30–60 days net. During negotiations, purchasing staff are responsible for balancing risks concerning payment terms against other parts of the contractual negotiations. If Ellos Group were to apply unusually long payment terms towards suppliers, or fail to pay supplier invoices on time, or deny advance payments to vulnerable suppliers, suppliers’ cash flow may become strained. This could lead to difficulties for suppliers in paying their sub suppliers or wages to their employees.

The Group does not have a policy to prevent late payments, particularly to small and medium sized enterprises, but the Group has internal processes to ensure that late payments are made as infrequently as possible. All supplier invoices pass through an invoice management system where invoice dates and due dates are automatically registered. Cost invoices go directly to the organisation for approval, while product invoices are matched to purchase orders after goods have been received into stock. When the approval workflow is complete or order/invoice matching has taken place, the invoices are released for payment.

The procedure requiring invoices to be checked and approved before payment is intended to prevent payment of incorrect invoices. If the approval or matching process is not completed promptly, the due date may pass without payment being made. This may occur, for example, when disruptions in logistics flows lead to delayed deliveries. Automatic reminders are generated by the invoice management system to approvers of invoices whose due dates are approaching. Unapproved overdue invoices are monitored continuously, and specific measures are taken by the invoice management team to ensure they are paid as soon as possible.

Supplier selection

Ellos Group takes environmental and social factors into account when selecting and evaluating product suppliers. To support the Group’s overall business strategy of achieving growth with a reduced climate footprint, the Group has begun collecting information from suppliers of products under its own brands regarding their climate impacts. This includes information on suppliers’ energy use and manufacturing processes, chemical management and certifications for sustainable materials. The goal is for this information to be used as a basis for directing purchasing towards more environmentally sustainable suppliers.

To ensure good social conditions and uphold human rights among suppliers of products under the Group’s own brands, Ellos Group has a Supplier Code of Conduct. Before new suppliers can be approved, an evaluation of social and environmental factors is carried out, and suppliers must sign the Supplier Code of Conduct. For further information on the Supplier Code of Conduct and how the Group monitors compliance, see section ESRS S2 Workers in the value chain.

Ellos Group also places requirements on its suppliers of external brands. Before a supplier can be approved, it must accept the Group’s requirements regarding environmental and social sustainability.

This includes, for example, that the supplier must:

- Have a Code of Conduct that follows internationally accepted standards, including ILO and UN conventions.
- Have a process for identifying risks and regularly following up on suppliers in its own value chain.
- Have a restricted substances list that corresponds to Ellos Group’s restricted substances list.
- Have procedures for regular monitoring of chemicals in its products.

G1-3 Prevention and detection of corruption and bribery

In all organisations, there is a risk of corruption – the abuse of power for personal gain – which can manifest in many different ways. Corruption may occur within Ellos Group’s own organisation or among suppliers, customers and other business partners. Ellos Group manages this risk through the Group’s business conduct guidelines, including policies on anti-bribery and anti-corruption as well as sponsorship. These policies define Ellos Group’s positions on what constitutes good business ethics and provide information on what is included in the concepts of corruption and bribery. They also provide clear guidance on how employees should act in different situations, helping them take appropriate action and recognise and respond to improper behaviour by other actors.

Through Ellos Group’s Supplier Code of Conduct, suppliers commit to following the Group’s requirements for good business ethics. Due to the complexity of the upstream value chain, Ellos Group also requires suppliers to monitor their sub suppliers. The Group does not accept unauthorised sub suppliers and requires full transparency regarding where and how the Group’s products are manufactured.

Ellos Group encourages employees, value chain workers and suppliers to report any concerns regarding bribery and corruption through the whistleblowing service. This increases the likelihood that serious misconduct is detected and stopped. All cases submitted via the whistleblowing service are handled confidentially. Only the whistleblowing function has access to reported cases, and a case may not be investigated by anyone who may be involved in the misconduct. For further information on the whistleblowing service, see the section on protection of whistleblowers. Any incidents related to corruption and bribery are reported to Group Management and the Board in connection with regular meetings.

The Group informs all new employees about the company’s ethical guidelines and policies on anti bribery and anti corruption as well as sponsorship. The policies are easily accessible on the Group’s intranet. The Supplier Code of Conduct is included in the supplier manual and is available to suppliers in the supplier portal. Information about this is provided during contract negotiations.

Training on corruption and bribery has been provided to all employees in the Group during the year in connection with an internal information meeting. Each employee, as well as Group Management and the Board, has also been required to complete an annual confirmation that they have read and understand the contents of the Group’s Anti-Bribery and Anti-Corruption Policy. The outcome was as presented below.

<i>Annual confirmation of the Anti-Bribery and Anti-Corruption Policy</i>	2025	2024
Group management and the Board (%)	100.0	-
All employees (%)	65.8	-

The data for the calculations are obtained from the Group’s HR system and are compiled and verified by staff within People & Culture. Temporary student workers are not included in the reported figures.

The Group has identified purchasing, sales and marketing, finance, legal and individuals in leadership positions as the functions and individuals with the highest risk related to corruption and bribery due to their interactions with external stakeholders. The proportion of employees in high risk functions who have completed the annual confirmation of the Anti-Bribery and Anti-Corruption Policy amounts to 67 per cent. Group Management and the Board do not receive recurring training on corruption and bribery but are assessed to have sufficient competence in the area. The Group’s preventive work against corruption and bribery does not entail significant operating expenditure (OpEx) nor require capital expenditure (CapEx).

Metrics and targets

G1-4 Incidents of corruption or bribery

Data collection on incidents of corruption and bribery is carried out through the WhistleB whistleblowing service and other available grievance channels. The Group has not become aware of any breaches of the Anti-Bribery and Anti-Corruption Policy during the year. The Group has also not had any convictions or fines for violations of anti-corruption or anti-bribery laws during the reporting period. If the Group receives a conviction for violations of laws against corruption and bribery, information on fines is obtained from the court ruling. The information relating to corruption and bribery has not been validated by any external party other than the assurance provider.

G1-6 Payment practices

During the year, Ellos Group has paid its supplier invoices on average 37 days (35) after the invoice date. All supplier invoices paid during the financial year are included in the above selection. The Group’s standard contractual payment terms are 30 or 60 days for product suppliers and 30 days for cost suppliers. During the year, 91 per cent (86) of invoices to product suppliers and 90 per cent (84) of invoices to cost suppliers were paid on time. Of the total number of invoices paid, 93 per cent (92) were product invoices.

The Group’s payments of supplier invoices during the year are not assessed to have resulted in significant negative consequences for small and medium-sized enterprises. Ellos Group has not been involved in any legal proceedings regarding late payments to suppliers during the year. The information on payment practices has not been validated by any external party other than the assurance provider.

APPENDIX

LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

<i>Disclosure Requirement and related datapoint</i>	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		14
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		14
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				16
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		17
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		17
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		17
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		17
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Förordning (EU) 2021/1119, artikel 2.1.	42
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material

<i>Disclosure Requirement and related datapoint</i>	<i>SFDR reference</i>	<i>Pillar 3 reference</i>	<i>Benchmark Regulation reference</i>	<i>EU Climate Law reference</i>	<i>Page</i>
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		46
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				47
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				47
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				47
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		48
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		48
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	49
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in

<i>Disclosure Requirement and related datapoint</i>	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				52
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2 – SBM 3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				29
ESRS 2 – SBM 3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				29
ESRS 2 – SBM 3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				29
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Phased-in

<i>Disclosure Requirement and related datapoint</i>	<i>SFDR reference</i>	<i>Pillar 3 reference</i>	<i>Benchmark Regulation reference</i>	<i>EU Climate Law reference</i>	<i>Page</i>
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Phased-in
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Phased-in
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				57
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				57
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				29
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				29
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				58
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		58
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				58
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				59
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		63
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				63
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		64
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				64

<i>Disclosure Requirement and related datapoint</i>	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				64
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		64
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				29
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				65
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				65
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		65
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		65
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				67
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				70

<i>Disclosure Requirement and related datapoint</i>	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		70
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				73
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				74
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				75
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		77
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				77

GLOSSARY

BCI (Better cotton initiative)

A global non-profit organisation working towards more sustainable cotton production by improving the environmental impact of cotton farming, working conditions and the economic circumstances of the farmers.

ESG (Environment, social and governance)

Environment, social and governance. Refers to three overarching themes for evaluating non-financial factors that may impact a company's ability to create value.

ESRS (European sustainability reporting standards)

European standards for sustainability reporting.

FSC (Forest stewardship council)

An international non-profit organisation working for sustainable forestry worldwide. The organisation's main task is to develop and maintain the FSC certification, ensuring that forests are managed in an environmentally, socially and economically responsible manner.

GHG (Greenhouse gas)

Greenhouse gases. Natural and artificial gases that trap heat in the atmosphere, contributing to the greenhouse effect that warms the Earth. They include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

GHG Protocol

A framework and de facto standard for measuring, reporting and managing greenhouse gas emissions.

Microplastics

Small plastic particles, typically less than 5 mm. There is a growing amount of microplastics in the environment, including the sea, as well as in food and drinking water. Once microplastics have entered the natural environment, they do not biodegrade and tend to accumulate, unless they are specifically designed to break down biologically in the open environment.

Net Zero Emissions

Net zero emissions is a state where there are no net greenhouse gas emissions to the atmosphere. Organisations can achieve this primarily by reducing their emissions and by using certain acceptable technologies for carbon capture and storage to neutralise remaining and unavoidable emissions.

NGFS (Network of central banks and supervisors for greening the financial system)

A global network of central banks and financial regulators working together to promote a more sustainable financial system. Their main goal is to strengthen the financial sector's role in managing climate-related and environmental risks, as well as to support the transition to a greener economy.

Paris agreement

A legally binding international treaty on climate change, adopted by 196 parties at the UN Climate Conference (COP21) in Paris in 2015. The Paris Agreement provides a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and aiming to limit it to 1.5°C.

Scope 1 - GHG emissions

Direct greenhouse gas emissions originating from sources owned or controlled by an organisation, typically through the combustion of fossil fuels.

Scope 2 - GHG emissions

Indirect greenhouse gas emissions that result from the energy purchased and used, but not generated by, an organisation, typically from purchased electricity, heating and cooling.

Scope 3 - GHG emissions

Other indirect greenhouse gas emissions that are a consequence of an activity but originate from sources not owned or controlled by the company. These include emissions occurring in the supply chain and emissions from the use of a company's products and services by customers.

Tier 1-4

Tier 1 is the supplier of the finished product, such as the one who cuts and sews a garment. Tier 2 is the supplier of materials that are part of the product, such as weaving, dyeing or accessory suppliers. Tier 3 processes raw materials, such as spinning mills. Tier 4 involves raw material extraction.

World Economic Forum

An international organisation working to improve the state of the world through collaboration between governments, businesses and civil society. The organisation also publishes reports analysing economic and social trends.



CORPORATE GOVERNANCE REPORT

Ellos Holding AB (publ) is a public Swedish limited company based in Borås, Sweden.

The company's articles of association contain no restrictions as to how many votes a shareholder may cast at a general meeting, nor any special regulations on the appointment and dismissal of board members and amendments to the articles of association. There are no authorizations granted by the general meeting to the Board of Directors to resolve on the issue of new shares or the acquisition of the Company's own shares.

System for internal control and risk management in the financial reporting

The Board's responsibility for internal management and control is regulated in the Swedish legislation (the Swedish Companies Act and the Swedish Annual Accounts Act). Ellos Group applies and complies with these requirements. The description included here of how the internal control is organized is limited to internal control regarding financial reporting

Internal control for financial reporting is a central component of corporate governance in Ellos Group and aims to provide reasonable assurance regarding the reliability of the external financial reporting in the form of quarterly reports, annual reports and year-end reports and that financial reporting is prepared in accordance with laws and applicable accounting standards. The Board of Directors as a whole has the overall responsibility for internal control and risk management.

Ellos Group applies COSO's framework for internal management and control, which is the most internationally recognized framework for describing and evaluating a group's internal control structure. The COSO framework consists of five components: control environment, risk assessment, control activities, information and communication and follow-up.

Ownership structure as at 31 december 2025

Owners	Capital / Votes	Number of shares
Sissener	22.7 %	180,332,650
Morten Eivindsson Astrup / Storm Capital Management	22.6 %	179,556,850
Pareto Asset Management	13.2 %	104,756,949
Other	41.5 %	328,680,051

Control Environment

The control environment forms the basis for internal control over financial reporting. An important part of the control environment is the evaluation and approach to business ethics such as how the Board of Directors, the CEO and Group management communicates and operates. Other important parts are the Group's organizational structure, leadership, decision paths, delegation of authority and responsibilities as well the expertise that the employees possess.

Important components of Ellos Group's control environment are also reflected in the policies and instructions used in the Group. The internal control documents are updated as needed.

Risk assessment

Risk assessment aims to identify risks of material misstatements in the financial reporting and thereby provide guidance on which areas are important to control. The assessment of risks in relation to financial reporting is carried out at least once a year.

The CFO is responsible for coordinating the activities in connection with the risk assessment and presenting the results to the Board.

Control Activities

Control activities are designed to manage the material risks identified in the risk assessment. Ellos Group has established an internal control framework in which important control activities and key controls related to financial reporting are compiled.

The internal control framework encompasses a number of key business processes such as:

- Sales process
- Purchasing process
- Stock process
- The salary process
- Closing process
- IT process

Information and communication

Both the internal information within Ellos Group and the external communication are governed on an overall level by the Group's guidelines for information disclosure. Group management is responsible for informing the employees concerned about their responsibility for maintaining good internal control, in order to ensure effective and accurate disclosure of the financial reporting. This is done, among other things, through regular information meetings in each business area. Adopted policies, guidelines, manuals and instructions are made available to employees via Ellos Group's intranet. The Group's finance function is responsible for the external disclosure of financial reporting.

Follow-up

Follow-up of internal control is carried out annually at Ellos Group. The procedure for follow-up is determined based on the assessed risk level and the nature of the risk. Any noted deviations and established action plans are communicated and any action plans are monitored continuously.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	Note	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Net sales	4	3,463.7	997.8
Cost of goods sold		-1,953.8	-597.1
Gross profit		1 509.9	400.7
Selling expenses		-925.6	-252.6
Administrative expenses		-463.7	-124.1
Other income	5	36.0	6.9
Other costs	6	-9.6	-11.0
Operating profit	7,8,9,10,11,12	147.0	19.9
Financial items			
Financial income	13	20.7	2.9
Financial costs	13	-120.1	-95.8
Financial items		-99.4	-92.9
Profit/loss before tax		47.5	-73.0
Income tax	14	-14.4	1.4
Profit/loss for the year		33.1	-71.6
Attributable to parent company's shareholders		33.1	-71.6
Average number of outstanding shares (in thousands)		793,326	793,326
Basic earnings per share, SEK		0.04	-0.09
Diluted earnings per share, SEK		0.04	-0.09

SEK M	Note	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Profit/loss for the year		33.1	-71.6
Items not to be returned to the income statement:			
Actuarial gain/loss	26	17.4	-3.0
Tax effect	14	-3.6	0.6
Items not to be returned to the income statement		13.8	-2.4
Items that can later be reversed to the income statement:			
Translation differences for the period		-17.6	0.2
Cash flow hedges change in value		-29.0	19.6
Cash flow hedges returned to the income statement		21.9	-9.8
Tax effect	14	1.4	-2.0
Items that can later be reversed to the income statement		-23.3	8.0
Other comprehensive income for the year		-9.5	5.6
Comprehensive income for the year		23.6	-66.0
Attributable to parent company's shareholders		23.6	-66.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Note	2025-12-31	2024-12-31	SEK M	Note	2025-12-31	2024-12-31
ASSETS				EQUITY AND LIABILITIES			
<i>Non-current assets</i>				<i>Equity attributable to parent company's shareholders</i>			
Goodwill	15	392.4	392.4	Share capital	23	793.3	793.3
Trademarks	15	859.5	859.5	Other reserves		-15.4	5.4
Customer relationships	15	123.5	192.4	Retained earnings including profit/loss for the year		-27.1	-71.4
Development expenditure	15	55.8	73.1	Total Equity		750.8	727.3
Right-of-use assets	8	453.0	491.2	<i>Non-current liabilities</i>			
Equipment, tools, fixtures and fittings	16	45.9	47.7	Bond loans	24	750.0	1 163.8
Investments in leased property	16	51.2	55.8	Other interest-bearing liabilities		200.0	-
Non-current receivables	17	10.5	9.8	Lease liabilities	8	360.4	397.2
Deferred tax assets	25	8.3	8.6	Deferred tax liabilities	25	204.1	219.8
Total non-current assets		2,000.0	2,130.5	Provisions for pensions	26	108.0	129.0
<i>Current asset</i>				Other provisions for pensions		13.9	12.7
Inventories	18	764.3	661.7	Total non-current liabilities		1,636.3	1,922.5
Return assets	18	17.4	19.5	<i>Current liabilities</i>			
Trade receivables	19	54.3	57.9	Lease liabilities	8	76.7	75.4
Current tax assets	14	-	51.4	Trade payables		240.6	231.7
Derivate instruments	30	3.5	8.9	Current tax liabilities	14	15.5	41.4
Other current receivables	20	35.7	198.5	Derivatives	30	3.4	1.1
Prepaid expenses and accrued income	21	52.5	54.7	Other provisions	27	1.4	2.9
Cash & cash equivalents	22	188.3	182.3	Other current liabilities		118.8	120.4
Total current assets		1,116.0	1,234.9	Repayment liabilities		38.1	39.5
TOTAL ASSETS		3,116.0	3,365.4	Accrued expenses	28	234.4	203.2
				Total Current liabilities		728.8	715.6
				Total liabilities		2,365.1	2,638.1
				TOTAL EQUITY AND LIABILITIES		3,116.0	3,365.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Share capital	Translation reserve	Hedging reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance 2025-01-01	793.3	0.2	7.8	-74.0	727.3
Profit/loss for the year	-	-	-	33.1	33.1
Cash flow hedges	-	-	-7.1	-	-7.1
Translation differences	-	-17.6	-	-	-17.6
Actuarial gain/loss	-	-	-	17.4	17.4
Tax attributable to items in other comprehensive income	-	-	1.4	-3.6	-2.2
Comprehensive income for the year	-	-17.6	-5.7	46.9	23.6
Issuance costs	-	-	-	-0.1	-0.1
Total transactions with shareholders	-	-	-	-0.1	-0.1
Closing balance 2025-12-31	793.3	-17.4	2.0	-27.2	750.8

MSEK	Share capital	Translation reserve	Hedging reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance 2024-10-15	-	-	-	-	-
Profit/loss for the year	-	-	-	-71.6	-71.6
Cash flow hedges	-	-	9.8	-	9.8
Translation differences	-	0.2	-	-	0.2
Actuarial gain/loss	-	-	-	-3.0	-3.0
Tax attributable to items in other comprehensive income	-	-	-2.0	0.6	-1.4
Comprehensive income for the year	-	0.2	7.8	-74.0	-66.0
Set-off issue	793.3	-	-	-	793.3
Total transactions with shareholders	793.3	-	-	-	793.3
Closing balance 2024-12-31	793.3	0.2	7.8	-74.0	727.3

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Note	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Operating activities			
Operating profit		147.0	19.9
Adjustments for non-cash items:			
- Depreciation		190.1	45.5
- Changes in provisions		-19.6	9.1
- Translation differences		1.8	12.2
Interest received		20.0	2.7
Interest paid		-112.4	-96.7
Income tax paid		-6.7	-12.4
Cash flow from operating activities before changes in working capital		220.2	-19.7
Increase/decrease in inventories		-102.6	84.7
Increase/decrease in trade receivables		2.4	15.6
Increase/decrease in other current receivables		165.3	-3.1
Increase/decrease in trade payables		21.9	-38.8
Increase/decrease in other current liabilities		32.1	-3.0
Cash flow from changes in working capital		119.2	55.4
Cash flow from operating activities		339.3	35.7

SEK M	Note	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Investing activities			
Business acquisition, net liquidity impact	31	-	10.2
Acquisition of intangible fixed assets		-9.6	-7.0
Acquisition of tangible fixed assets		-8.2	-1.6
Disposals of tangible fixed assets		0.1	-
Acquisition of financial fixed assets		-0.9	-0.3
Disposals of financial fixed assets		0.1	-
Cash flow from investing activities		-18.5	1.3
Financing activities			
Proceeds from bond loans		-	163.8
Borrowings		200.0	-
Amortisation of loans		-413.8	-
Amortisation of lease liabilities		-73.8	-18.5
Cash flow from financing activities		-287.7	145.3
Cash flow for the period		33.2	182.3
Cash and cash equivalents at beginning of period		182.3	-
Exchange rate difference in liquid assets		-27.2	-
Cash and cash equivalents at end of period		188.3	182.3

PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	Note	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Net sales	4	6.3	1.1
Gross profit		6.3	1.1
Administrative expenses		-10.0	-1.4
Operating profit	7, 9, 11, 12	-3.7	-0.3
<i>Financial items</i>			
Interest income	13	47.2	14.6
Interest costs	13	-82.0	-90.2
Financial items		-34.8	-75.6
Profit/loss after financial items		-38.5	-75.9
Received group contributions		3.8	-
Profit/loss before tax		-34.6	-75.9
Income tax	14	0.1	0.1
Profit/loss for the year		-34.7	-75.8

SEK M	Note	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Profit/loss for the year		-34.7	-75.8
Comprehensive income for the year		-34.7	-75.8

PARENT COMPANY BALANCE SHEET

SEK M	Note	2025-12-31	2024-12-31
ASSETS			
<i>Non-current assets</i>			
Shares in subsidiaries	32	1,326.7	1,326.7
Deferred tax assets	14	-	0.1
Total non-current assets		1,326.7	1,326.8
<i>Current assets</i>			
Receivables from group companies		109.3	485.8
Other current assets	20	0.1	75.7
Prepaid expenses and accrued income	21	1.8	5.4
Cash and bank	22	5.6	9.3
Total current assets		116.7	576.2
TOTAL ASSETS		1,443.4	1,903.0

SEK M	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	23	793.3	793.3
Total restricted equity		793.3	793.3
Accumulated loss		-75.8	-
Profit/loss for the year		-34.7	-75.8
Total accumulated loss	36	-110.6	-75.8
Total equity		682.7	717.5
<i>Non-current liabilities</i>			
Bond loans	24	750.0	1,163.8
Total non-current liabilities		750.0	1,163.8
<i>Current liabilities</i>			
Accounts payables		0.8	0.7
Liabilities to group companies		1.9	0.4
Other current liabilities		0.1	-
Accrued expenses and preoaid income	28	7.8	20.6
Total current liabilities		10.7	21.7
TOTAL EQUITY AND LIABILITIES		1,443.4	1,903.0

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

MSEK	Restricted equity	Accumulated loss		Total equity
	Share capital	Retained earnings	Profit/loss for the year	
Opening balance 2025-01-01	793.3	-75.8		717.5
Profit/loss for the year			-34.7	-34.7
Comprehensive income for the year	-	-	-34.7	-34.7
Closing balance 2025-12-31	793.3	-75.8	-34.7	682.7

MSEK	Restricted equity	Accumulated loss		Total equity
	Share capital	Retained earnings	Profit/loss for the year	
Opening balance 2024-09-03	-	-	-	-
Profit/loss for the year			-75.8	-75.8
Comprehensive income for the year	-	-	-75.8	-75.8
Set-off issue	793.3			793.3
Closing balance 2024-12-31	793.3	-	-75.8	717.5

PARENT COMPANY STATEMENT OF CASH FLOW

SEK M	Note	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
<i>Operating activities</i>			
Operating profit/loss		-3.7	-0.3
Interest received		47.2	14.6
Interest paid		-82.0	-90.2
Cash flow from operating activities before changes in working capital		-38.5	-75.9
Increase/decrease in other current receivables		455.8	-75.2
Increase/decrease in trade payables		0.2	0.7
Increase/decrease in other current liabilities		-11.3	5.9
Cash flow from changes in working capital		444.7	-68.6
Cash flow from operating activities		406.2	-144.5

SEK M	Note	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
<i>Investing activities</i>			
Acquisition of subsidiary	31	-	-10.0
Cash-flow from investing activities		-	-10.0
<i>Financing activities</i>			
Proceeds from bond loans		-	163.8
Amortisation of loans		-413.8	-
Received group contribution		3.8	-
Cash flow from financing activities		-410.0	163.8
Cash flow for the period		-3.8	9.3
Cash and cash equivalents at beginning of the period		9.3	-
Cash and cash equivalents at end of the period		5.6	9.3



NOTES

NOTE 1 | GENERAL INFORMATION

The annual report and consolidated financial statements include the Swedish parent company Ellos Holding AB (publ) and its subsidiaries (Ellos Group). The Group's main business activities include e-commerce, primarily in fashion and home furnishings under the brands Ellos, Jotex, and Homeroom, as well as Elpy, the Group's brand for payment solutions. The business activities are carried out in the Nordic countries in Sweden, Norway, Finland, Denmark as well as in Germany, Poland, Austria and the Netherlands in the rest of Europe. The Group's products are also sold via other sales platforms to additional countries in Europe.

The parent company Ellos Holding AB (publ), company registration number 559495-4116, is a limited company registered in Sweden with registered office in Borås. The address of the head office is PO Box 961, 501 10 Borås.

The Group was formed on 15 October 2024, when the parent company acquired all shares in Ellos Group Nordic AB (publ), registration number 559318-3618.

Unless otherwise stated, all amounts are reported in millions of Swedish kronor (SEK M).

NOTE 2 | SIGNIFICANT ACCOUNTING STANDARDS

ACCOUNTING PRINCIPLES FOR THE GROUP

The consolidated financial statements for Ellos Group AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and issued by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRSIC). Furthermore, the Group also applies the Swedish Annual Accounts Act and the Swedish Sustainability and Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Rules for Groups.

In the consolidated financial statements, items have been measured at cost, except in the case of certain financial instruments, which are measured at fair value. The principles applicable to individual income or balance sheet items are disclosed in the note for each item.

New or Amended IFRS Standards and New Interpretations Not Yet Effective

The new standard IFRS 18 has been published, which will replace IAS 1 Presentation of Financial Statements from January 1, 2027. IFRS 18 introduces new requirements for the design and disclosures

of reports to increase comparability between companies. The standard will not affect the accounting or valuation of items in the Group's financial statements but is expected to impact the design and presentation of the reports. A changed grouping of revenues and expenses into new categories may affect the calculation of the Group's operating profit, as certain exchange rate differences are currently reported within the operating profit. Furthermore, the presentation of items in the cash flow statement may change, as received and paid interest is currently included in cash flow from operating activities. The effects are currently under evaluation, and the Group will apply the standard upon its entry into force with retrospective application, whereby comparative periods will be restated.

Other changes in standards that have not yet come into force and that apply from January 1, 2026, or later are not expected to have any significant impact on the Group's financial statements.

Consolidated financial statements

The consolidated financial statements, prepared in accordance with the acquisition method, include the Parent company, Ellos Holding AB (publ), and the companies of which the Parent company, directly or indirectly, has a significant influence over. Subsidiaries are included in the consolidated financial statements from the date the Parent company gains a controlling interest and until the date when it ceases to have a controlling interest in the subsidiary. This means that the income and expenses of a subsidiary acquired or disposed of during the current financial year are included in the consolidated income statement and statement of other comprehensive income from the date when the Parent company gains the controlling interest until the date when it ceases to have the controlling interest. All intra-group assets and liabilities, equity, revenues and cash flows relating to transactions between companies within the Group are eliminated in full in the preparation of the consolidated financial statements. The accounting standards for subsidiaries have been adjusted where necessary in order to ensure consistent application of the Group's accounting standards.

Goodwill

In business acquisitions where the consideration paid exceeds the fair value of the acquired identifiable assets and liabilities on the acquisition date, the difference is recognized as goodwill. Goodwill reported in the balance sheet is valued at acquisition cost less any impairment losses.

Foreign currency

Items included in the financial statements of the Group's various entities are reported in the currency used in the primary economic environment in which each entity mainly operates (functional currency). In the consolidated financial statements, all amounts are translated to Swedish krona (SEK), which is the Parent company's functional and reporting currency.

Transactions in foreign currencies in each entity are translated into the entity's functional currency at the exchange rates in force on the transaction date or on the translation date. At each balance sheet date, monetary items in foreign currency are translated at the rate at the balance sheet date. Non-monetary

items that are measured at fair value in a foreign currency are translated at the exchange rate on the date when the fair value was determined. Non-monetary items that are measured at their historical cost in a foreign currency are not translated.

Exchange differences are recognised in the income statement in the period in which they arise, with the exception of derivative instruments that constitute hedging instruments and fulfil the conditions for hedge accounting of cash flows, where exchange gains and losses are recognised in other comprehensive income.

When preparing the consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated into Swedish kronor using the closing rate at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Translation differences arising are recognised in other comprehensive income and accumulated in the Group's foreign currency translation reserve. On disposal of a foreign subsidiary, such translation differences are reclassified to the income statement as part of the gain or loss on disposal.

Segment reporting

The Group's internal reporting structure is based on the fact that the Group is a segment, which means that no separate segment report is presented. The company's management has evaluated the Group's operations and determined that the operations being conducted relate to a segment. They have based their position on the internal reporting that is submitted to the managing director and which he uses for the distribution of resources and evaluation of the results in the Group.

PARENT COMPANY'S ACCOUNTING STANDARDS

The Parent company applies the Annual Accounts Act and the Council for Financial Reporting's recommendation RFR 2 Accounting for Legal Entities. The application of RFR 2 means that the Parent company, as far as possible, applies all EU-approved IFRS within the framework of the Annual Accounts Act and the Security Act, taking into account the relationship between accounting and taxation. The accounting principles are unchanged compared to the previous year. The differences between the Parent company's and the Group's accounting principles are described below.

Amendments to RFR 2 not yet effective

Changes in RFR 2 that have not yet come into force and that apply from January 1, 2026, or later are not expected to have any significant impact on the Group's financial statements.

Classification and presentation types

The Parent company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act.

Subsidiaries

Investments in subsidiaries are recognised at cost in the Parent company's financial statements. Acquisition-related costs for subsidiaries, which are recognised as expense in the consolidated financial statements, are included as part of the cost of investments in subsidiaries in the Parent company. Impairment assessment, through a cash flow review, is done annually for the reported value of shares in subsidiaries.

Financial instruments

The Parent company does not apply IFRS 9 Financial Instruments. The Parent company applies a method based on cost in accordance with the Swedish Annual Accounts Act. This means that non-current financial assets are measured at cost less any impairment and current financial assets according to the lower of cost or market. Financial liabilities are measured at amortised cost using the effective interest method.

NOTE 3 SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires the Company's executive management and Board to make estimates and assumptions, and also to make assumptions that affect the application of the accounting standards and the recognised assets, liabilities, income and expenses. The estimates are based on historical experience and assumptions which in the circumstances are considered to be reasonable and realistic. The results of these estimates and assumptions are used to determine the recognised values of assets and liabilities that it is not possible to determine from other sources. The fair value may differ from these estimates and assumptions. Listed below are the key assumptions, judgements and estimates made as at the balance sheet date and deemed to have the most significant impact on the Group's position and results.

ESTIMATES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Value of trademarks and goodwill

Brands and goodwill acquired and recognized as assets with an indefinite useful life must be tested annually, or more frequently if there is an indication of impairment, to identify any potential need for impairment. The testing requires an estimation of parameters that affect future cash flow. The assumptions that primarily affect the recoverable amount are assumptions about changes in volume, gross margin, and discount rate. If future external factors and conditions change, assumptions may be affected so that the reported values of brands and goodwill change. Information about the estimates made and the parameters used in the calculation of the recoverable amount, as well as the justification for why the Group's brands are considered to have an indefinite useful life, can be found in note 15.

Value of customer relationships

Customer relationships acquired by the Group are recognized as an asset in the Group's financial position report. The assumptions that primarily affect the recoverable amount are assumptions about changes in volume, profit margin, or customer mobility. If future external factors and conditions change, assumptions may be affected so that the reported values of these assets change. The assumption of the useful life is based on historical information about how long a customer on average stays with Ellos, Jotex, and Homeroom. The useful life should be reviewed at least annually based on new and updated information about customer behaviour and loyalty. If the useful life changes, the depreciation cost would either increase or decrease.

Pension obligations

The value of pension obligations in respect of defined benefit plans is determined using actuarial estimates and is based on assumptions regarding discount rate, expected returns on plan assets, future salary increases, inflation and demographic circumstances. Any changes to these assumptions will impact the estimated value of the pension obligations. The most significant assumption, the discount rate, is based on the market rate of return on high quality corporate bonds with maturities corresponding to the pension obligations. A lower discount rate increases the present value of the pension obligations and their costs, while a higher discount rate has the opposite effect. Should changes occur in market conditions and financial circumstances, the underlying assumptions may differ from actual developments and may lead to significant changes to the provisions for pensions and similar obligations. Additional information about the estimates made can be found in note 26.

ASSESSMENTS USED IN APPLYING THE GROUP'S ACCOUNTING STANDARDS

Sales of invoice and instalment plan receivables

Ellos Group has an agreement with Resurs Bank for the sale of the Group's invoice and instalment receivables for the brands Ellos, Jotex, and Homeroom. Ellos Group sells arising invoice and instalment receivables at nominal value to Resurs Bank and receives daily payments for new receivables sold. These transactions are viewed as separate cash flows which, according to the Group's assessment, can be identified. The assessment is therefore that all significant risks and rewards associated with the receivables are transferred from Ellos Group to Resurs Bank and that the conditions for not recognizing invoice and instalment receivables in the balance sheet are met.

NOTE 4 | REVENUE

Net sales consist of revenues from agreements with customers, invoiced fees for freight, royalty, and additional purchase price from the sale of receivables to Resurs Bank.

	Group	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
Net sales, SEK M		
Revenue from agreements with customers	2,999.9	871.8
Invoiced fees	177.6	51.8
Royalty	6.6	2.3
Additional purchase price Resurs Bank	279.6	71.9
Total	3,463.7	997.8

Revenue from agreements with customers

E-commerce sales of goods to individuals and companies

The Group primarily generates revenue through online sales of fashion and home furnishings to private consumers (B2C) but also a smaller part is sold to companies (B2B) which are either reseller of Ellos Groups products or uses the products in its own operations. The goods are mainly delivered from the Group's logistics centre in Viared outside Borås. In sales directly to end consumers, revenue is recognized when control over the goods passes to the customer, which is considered to occur when the goods have been loaded onto the truck for transport. Sales to B2B customers are recognized as revenue upon invoicing, which occurs once a week and on the last day of each month. Deliveries to customers can also be made directly from the supplier to the customer (dropship). Revenue is recognized when the goods have been loaded onto the truck and left the dropship supplier's warehouse. In cases where the product is sold with a discount, the value of the discount is reduced net sales. All merchandise sales take place with the right of cancellation in at least 30 days. The reserve for returns which are calculated is based on the Group's experience of previous transactions and using historical data over returns. The return reserve that is calculated includes a deduction for reduced sales and a reversal of estimated cost of goods as well as additional costs incurred for distribution and logistics in connection with the return from the customer. A Repayment Liability is reported regarding what is reimbursed to the customer while a Return assets are reported for the value of the goods that is expected to be returned from the customer. Returns regarding dropship goods are also returned to the Ellos Group's warehouse.

Sales via market platforms.

Items sold through other companies' trading platforms may be sold directly to the end customer or to the owner of the trading platform. Deliveries of the goods can be made directly to the end customer or via the trading platform's inventory. At Ellos Group, these deliveries go in the normal flow of goods to B2C and B2B customers.

Store sales

The Group has an outlet store in connection with the warehouse in Borås. Revenue reporting takes place on an ongoing basis via files from the checkout system.

Commission for marketing of private loans

Resurs Bank offers Consumer loans to the Ellos Group's customers and uses the brand Ellos in its marketing. For the use of the brand, a commission is paid, which is recognized as revenue on an ongoing basis by Ellos Group.

Compensation for mediation of insurances

The Group's customers can buy various insurance policies via the Group's sites. The Group acts as an insurance intermediary, for which it receives remuneration from the various insurance companies. This remuneration is recognised as Net sales. Sales are reported when the customer takes out insurance via Ellos Group.

Gift cards

When selling gift cards, the entire amount becomes reported as a liability when the customer buys the gift card. Revenue is recognized when the gift card is used or when its validity period expires. The Group writes off and reports a revenue for unused gift cards when the validity period of the gift card expires.

Invoiced fees for freight

In cases where the customer is invoiced any fees for the purchase of the goods for freight or similar, the revenue is recognised in connection with the recognition of the sale of the goods.

Royalty

Royalties are received from companies that use the Ellos Group's product collections. These revenues are reported in line with the counterpart's sales to end consumers. Settlement takes place monthly.

Additional purchase price

When a private person shops from one of the Group's sites and uses invoice or partial payment as the payment method, a receivable arises for Ellos Group. The receivables are sold daily to Resurs Bank at nominal value. Depending on how customers choose to settle their claims, an additional purchase price may arise based on the net income (interest less expenses) that the customer generates at Resurs Bank regarding the purchase from Ellos Group. This additional purchase price is calculated and reported as net sales in Ellos Group monthly.

Information about major customers

The Group has no single customer that accounts for 10% or more of consolidated revenues.

Information about geographical areas

The Group operates in four main geographical areas where the Group also has companies - Sweden (the company's headquarters), Norway, Finland and Denmark. The Swedish group company Ellos AB also sells, to consumers in Germany, Poland, the Netherlands and Austria. The Group also sells goods to consumers around Europe via external trading platforms. In addition, some B2B sales in Europe take place. The royalty which the Group receives comes from companies in the USA.

Net sales distributed by geographic market, SEK M	Group	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
Sweden	1,866.9	544.2
Norway	645.5	184.0
Finland	435.8	132.4
Denmark	282.0	79.3
Germany	135.7	35.0
Other Europe	91.3	20.6
USA	6.6	2.3
Total	3,463.7	997.8

Below is a breakdown of the Group's intangible and tangible assets by geographical market.

Non-current assets by geographic market, SEK M	Group	
	2025-12-31	2024-12-31
Sweden	605.9	667.8
Total	605.9	667.8

The Group's intangible assets like goodwill, trademarks and customer relationships are not included in the table below because these are not allocated by country.

Parent Company

The Parent company's income consists of administration and management services for the companies in the Group. All of the Parent company's income is generated within the Group.

NOTE 5 | OTHER REVENUE

SEK M	Group	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
Rental income	4.6	1.3
Exchange gains	25.6	1.5
Other	5.8	4.1
Total other revenue	36.0	6.9

NOTE 6 | OTHER COSTS

SEK M	Group	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
Exchange losses	-9.6	-11.0
Total other costs	-9.6	-11.0

NOTE 7 | DISCLOSURE OF AUDITOR'S REMUNERATION AND EXPENSES

SEK M	Group		Parent company	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31	2025-01-01 –2025-12-31	2024-09-03 –2024-12-31
EY				
Audit assignment	2.7	0.5	1.7	0.7
Audit work other than audit assignment	0.5	0.1	0.2	-
Tax advice	0.3	-	0.1	-
Total	3.5	0.6	2.0	0.7

Audit engagement refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual report and accounting, the management of the board and the CEO, as well as fees for audit advice provided in connection with the audit engagement. Audit activities beyond the audit engagement refer to other services.

NOTE 8 | LEASING

The Group is a lessee, and the lease agreements recognized as right-of-use assets and lease liabilities mainly cover office and logistics premises as well as retail premises

The Group assesses whether signed agreements are, or contain, a lease agreement when the agreements are entered into. For short-term leases and agreements of lower value, the Group reports the lease payments as an expense linearly over the lease term.

The lease liability is initially measured at the present value of lease payments not paid at the commencement date, discounted using the Group's marginal borrowing rate. The marginal borrowing rate is the interest rate that the Group would have to pay for financing through loans during a corresponding period to which the leasing agreement applies and with corresponding security. When determining the interest rate, the duration of the leasing agreement is taken into account.

Lease fees that are included in the valuation of the lease liability includes fixed fees. After the start date the lease liability is valued by increasing the reported value in order to reflect the interest on the lease liability (through the use of the effective interest method), and by reducing the reported value to reflect lease payments paid. The Group is reassessing the lease liability and makes a corresponding adjustment to the right of use if the lease agreement changes.

The reported leasing liability mainly consists of leased premises for the head office and two logistics premises in Borås. These three agreements have a term between 2030-2032. There is an option to extend the agreements for these premises. The terms are designed so that if neither party terminates the agreement a certain time before they expire, 24-36 months before, then the agreement is extended by another period which is between 3-5 years. When the Group enters into a lease agreement, an assessment is made whether it is reasonable certain that the option to extend will be exercised. The Group has not include any options in the reported leasing liabilities because it has not been deemed reasonably certain that these options will be used. Re-examination of this assessment takes place when there has been a important event that is within the Group's control. Extension of the leasing agreement takes place at the latest at the time of automatic extension if neither party terminates the agreement.

The right-of-use asset is initially reported at the value of the lease liability, with additions for lease payments made at or before the start date of the leasing agreement and initial direct expenditure. The right-of-use asset is reported in the subsequent period at acquisition value minus depreciation and write-downs. Right-of-use assets are depreciated over an estimated useful life. Depreciation begins at the same time as the start date of the lease. Right-of-use assets are presented on a separate line in the report of financial position. There is no turnover rent for the shop premises.

Reported lease liability, SEK M	Group	
	2025-12-31	2024-12-31
Short-term debt	76.7	75.4
Long-term debt	360.4	397.2
Outstanding debt	437.1	472.6

Right-of-use assets, SEK M	Group	
	2025-12-31	2024-12-31
<i>Operating property</i>		
Opening balance acquisition cost	511.1	-
Additional right-of-use assets	-	501.4
Effects of adjusted rent 9.7	41.3	9.7
Outstanding acquisition cost	552.4	511.1
Opening balance accumulated depreciation	-19.8	-
Depreciation for the year	-79.6	-19.8
Outstanding accumulated depreciation	-99.4	-19.8
Operating property	453.0	491.2

Revenues and expenses reported from leasing agreements, SEK M	Group	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Income from subletting	4.6	1.3
Lease income in operating profit/loss	4.6	1.3
Lease cost		
Variable lease expenses	4.3	0.9
Short-term leases	2.6	0.8
Leases of assets of low value	0.0	0.0
Depreciation of right-of-use assets	79.6	19.8
Lease costs in operating profit/loss	86.5	21.6
Interest costs on lease liabilities	12.7	3.1

The total cash flow during the year amounts to SEK 86.6 (21.3) million.

NOTE 9 | OPERATING COSTS

SEK M	Group		Parent company	
	2025-01-01	2024-10-15	2025-01-01	2024-09-03
	-2025-12-31	-2024-12-31	-2025-12-31	-2024-12-31
Goods for resale	1,505.6	468.0	-	-
Distribution costs	329.0	129.1	-	-
Costs of employee benefits	404.1	100.8	-	-
Depreciation/amortisation and impairment	110.4	25.7	-	-
Costs of leases	83.1	21.6	-	-
Marketing costs	631.5	176.1	-	-
Other costs	279.4	52.4	10.0	1.4
Total operating costs	3,343.1	973.7	10.0	1.4

The Group uses income statement divided by function and it is divided into cost of goods sold, selling expenses, administrative expenses, and other expenses.

The cost of goods sold includes all costs for purchasing and distributing products to customers. The costs included in addition to the cost of goods for the products are, for example, shipping, customs, environmental fees, storage costs and costs for distributing goods to customers.

The selling expenses mainly include costs for personnel handling goods within the Group's logistics facility, marketing costs, costs for customer service and the market function, as well as IT costs related to sales.

The administrative expenses include costs for the Group's central functions as product, sourcing, IT, finance, people & culture as well as costs for office premises, return handling, and management and also IT costs for administrative systems.

NOTE 10 | DEPRECIATION/AMORTISATION AND IMPAIRMENT BY FUNCTION

SEK M	Group	
	2025-01-01	2024-10-15
	-2025-12-31	-2024-12-31
Cost of goods sold	66.4	16.6
Selling expenses	72.5	15.3
Administrative expenses	51.2	13.6
Total depreciation/amortisation and impairment	190.1	45.5

NOTE 11 | AVERAGE NUMBER OF EMPLOYEES

Average number of employees	Group		Parent company	
	2025-01-01	2024-10-15	2025-01-01	2024-09-03
	-2025-12-31	-2024-12-31	-2025-12-31	-2024-12-31
Women	314	307	-	-
Men	195	191	-	-
Total	509	498	-	-

Gender distribution of senior executives	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Board members				
Women	2	1	2	1
Men	3	4	3	4
Total	5	5	5	5
CEO and other senior executives				
Women	3	3	-	-
Men	5	6	1	1
Total	8	9	1	1

The average number of employees is calculated by dividing the total number of hours worked by a standard annual working time.

NOTE 12 | SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

	Group		Parent company	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31	2025-01-01 –2025-12-31	2024-09-03 –2024-12-31
Salaries, other remuneration etc., SEK M				
Salaries and other remuneration	279.5	69.1	1.0	0.2
Social security costs	124.6	31.7	0.3	-
- of which pension costs	27.0	7.1	-	-
Total salaries and other remuneration	404.1	100.8	1.4	0.2

Salaries and remuneration divided between Board members, CEO and other senior executives and other employees, SEK M	Group		Parent company	
	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31	2025-01-01 –2025-12-31	2024-09-03 –2024-12-31
<i>Sweden</i>				
Board members, CEO and other senior executives	19.8	5.1	1.0	0.2
- of which variable compensation	4.4	-	-	-
Total	19.8	5.1	1.0	0.2
Other employees	259.7	64.0	-	-
- of which variable compensation	6.7	-	-	-
Total	259.7	64.0	-	-
Total	279.5	69.1	1.0	0.2

Other senior executives refer to the 7 individuals who, in addition to the CEO, make up the executive management team. Of the Group's pension costs, SEK 4.2 (1.3) million pertains to the board, CEO, and other senior executives. Of the Group's reported pension liability, SEK 0.2 (0.2) million pertains to the Group's CEO.

Compensations, provisions and other benefits, SEK M	Group									
	2025-01-01-2025-12-31					2024-10-15-2024-12-31				
	Basic salary/ board fee	Variable compensation	Other benefits	Pension costs	Total	Basic salary/ board fee	Variable compensation	Other benefits	Pension costs	Total
Board member Jan-Christian Dyre-Moe up to incl. 2024-10-24	-	-	-	-	-	0.3	-	-	-	0.3
Board member Ragnvald Rasmus Sunde up to incl. 2024-10-24	-	-	-	-	-	0.3	-	-	-	0.3
Board member Bjarte Bøe up to incl. 2024-10-24	-	-	-	-	-	0.3	-	-	-	0.3
Board member Morten Eivindsson Aastrup from 2024-10-24	0.6	-	-	-	0.6	0.1	-	-	-	0.1
Board member Joakim Friedman from 2024-10-24	0.4	-	-	-	0.4	0.1	-	-	-	0.1
Board member Mariette Kristensson from 2025-10-29	0.1	-	-	-	0.1	-	-	-	-	-
CEO Hans Ohlsson from 2024-10-24	4.2	1.3	0.2	1.2	6.9	1.1	-	-	0.5	1.6
Other senior executives 7 (8) persons	10.2	3.1	0.6	2.9	16.8	3.0	-	0.2	0.8	4.0
Total compensations, provisions and other benefits	15.5	4.4	0.8	4.1	24.8	5.2	-	0.2	1.3	6.7

Guidelines

Fees are paid to the chairman and members of the board according to the decision of the general meeting. The Annual General Meeting adopted the following guidelines for remuneration of management.

Remuneration of the CEO and other senior executives consists of basic salary, variable remuneration, other benefits, pensions etc. The allocation of basic salary and variable remuneration should be commensurate with the executive's responsibility and authority. The variable remuneration for CEO and senior executives is capped at 50% of basic salary. Variable compensation is based on performance in relation to individual targets.

The CEO of Ellos Group has a retirement age of 65. The retirement age of other senior executives varies between 62 and 68. The company has a national pension plan, either via the ITP plan or through occupational pension insurance.

Severance pay

For the Group CEO a notice period of 6 months applies, whether notice is given by the company or the CEO. Upon termination by the company, severance pay shall amount to 12 months' salary. Severance pay is not deducted from other income. Upon termination by the Group CEO, no severance pay shall be paid. For other senior executives, the period of notice of termination by the company is 6-9 months. Upon termination by the company, severance pay shall amount to 0-6 months' salary. Severance pay is not deducted from other income. Upon termination by the senior executive, no severance pay shall be paid.

Incentive program

The Company introduced a share-based, long-term incentive programme in 2025 for selected members of senior management, the Board of Directors and other key employees. Under the programme, agreements have been entered into granting each participant the right and obligation, at a specified point in time on or before 29 October 2028, to subscribe for convertible and redeemable preference shares of series A–D in Ellos Holding AB (publ) at a predetermined subscription price. The subscription for these shares is carried out through the exercise of warrants that will be allocated to the participants free of charge.

As of 31 December 2025, Ellos Holding AB (publ) holds all 64,323,770 outstanding warrants. The maximum term of the warrants is 36 months, up to and including 31 December 2028.

The subscription price for the preference shares corresponds to the sum of a calculated market value and an annual interest rate of 10 per cent. For series A preference shares, the market value at the time the agreements were entered into was determined to be SEK 0.24; for series B, SEK 0.20; for series C, SEK 0.17; and for series D, SEK 0.14. The market values have been determined using the Black-Scholes valuation model.

With the exception of costs incurred in the preparation and administration of the incentive programme, the programme is not expected to give rise to any additional costs for the Company.

NOTE 13 | FINANCIAL ITEMS

	Group		Parent company	
	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Financial income, SEK M				
Interest income	19.6	2.5	1.6	-0.9
Interest income from group companies	-	-	45.6	15.5
Exchange rate gains	1.0	0.1	-	-
Other financial income	0.1	0.3	-	-
Total financial income	20.7	2.9	47.2	14.6

Interest income is attributable to financial assets measured at amortized cost. Other financial income refers to forward points paid to the bank for forward contracts and is continuously recognized as financial income or expense.

	Group		Parent company	
	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Financial expenses, SEK M				
Interest expense credits etc.	97.5	55.2	79.5	54.4
Interest expense leasing agreements	13.2	3.1	-	-
Exchange rate losses	2.6	-	-	-
Bank charges, credit expenses etc.	6.5	37.5	2.5	36.8
Other financial expenses	0.3	-	-	-
Total financial expenses	120.1	95.8	82.0	91.2

Interest expenses are attributable to financial liabilities measured at amortized cost, interest on issued bonds, and interest expenses for leased assets. The financial expenses are reported on an ongoing basis when they arise.

NOTE 14 | INCOME TAX

	Group		Parent company	
	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Tax on profit/loss for the year, SEK M				
<i>Current tax</i>				
Tax on profit/loss for the year	-31.7	-0.3	-	-
Total	-31.7	-0.3	-	-
<i>Deferred tax</i>				
Deferred tax attributable to temporary differences	17.3	6.8	0.1	0.1
Deferred tax attributable to loss carryforwards	0.0	-5.1	-	-
Total	17.3	1.7	-	-
Total reported tax on profit/loss for the year	-14.4	1.4	0.1	0.1

Income tax in Sweden is calculated at 20.6 percent on taxable income for the year. Tax in other jurisdictions is calculated at the rate applicable for each jurisdiction.

	Group		Parent company	
	2025-01-01	2024-09-03	2025-01-01	2024-09-03
	-2025-12-31	-2024-12-31	-2025-12-31	-2024-12-31
Reconciliation of effective tax, SEK M				
Profit/loss before tax	47.5	-73.0	-34.6	-75.9
Tax calculated in accordance with applicable tax rate (20.6%)	-9.8	15.0	7.1	15.6
Tax effect of:				
- Difference in tax rate in foreign companies	-0.2	0.1	-	-
- Non-deductible costs	-1.8	-1.6	-	-
- Non-taxable revenues	0.3	-	-	-
- Limitation rule regarding interest deductions	-8.1	-16.3	-7.0	-15.6
Tax attributable to previous years	5.2	4.2	-	-
Reported effective tax	-14.4	1.4	0.1	0.0

	Group	
	2025-01-01	2024-09-03
Tax recognised in other comprehensive income, SEK M	-2025-12-31	-2024-12-31
Deferred tax		
Actuarial gains and losses	-3.6	0.6
Cash flow hedges		
- Changes in value	6.0	-4.0
- Reversed to the income statement	-4.6	2.0
Total tax recognised in other comprehensive income	-2.2	-1.4

NOTE 15 | GOODWILL AND INTANGIBLE ASSETS

	Group									
	2025-12-31					2024-12-31				
	Goodwill	Trademarks	Customer relations	Capital expenditure	Total	Goodwill	Trademarks	Customer relations	Capital expenditure	Total
Goodwill and intangible assets, SEK M										
Opening acquisition value	392.4	859.5	206.8	80.8	1,539.5	-	-	-	-	-
Acquisition through business combination	-	-	-	-	-	392.4	859.5	206.8	66.1	1,524.8
Investments	-	-	-	9.6	9.6	-	-	-	14.7	14.7
Closing acquisition value	392.4	859.5	206.8	90.4	1,549.1	392.4	859.5	206.8	80.8	1,539.5
Opening amortisation	-	-	-14.4	-7.7	-22.1	-	-	-	-	-
Amortisation for the year	-	-	-68.9	-26.9	-95.8	-	-	-14.4	-7.7	-22.1
Closing accumulated amortisation	-	-	-83.3	-34.6	-117.9	-	-	-14.4	-7.7	-22.1
Closing balance	392.4	859.5	123.5	55.8	1,431.2	392.4	859.5	192.4	73.1	1,517.4

SEPARATELY ACQUIRED INTANGIBLE ASSETS

The Group's intangible assets with determinable useful lives that have been acquired separately are reported at acquisition value with deductions for accumulated depreciation and any accumulated write-downs. Amortisation is done on a straight-line basis over the estimated useful life of the asset. Estimated useful lives and amortisation methods are reviewed at least at the end of each financial year and the effect of any changes in estimates are reported prospectively.

Intangible assets with an indeterminable useful life will be tested for impairment annually, and if there are indications of need. No indications of impairment needs existed at the end of the financial year.

INTANGIBLE ASSETS ACQUIRED IN BUSINESS COMBINATIONS

In connection with the acquisition of the business in Ellos Group, part of the purchase price was allocated to customer relationships and brands. The valuation of the intangible assets was carried out together with external experts and was based on a forecast of future cash flows over a period of ten years and then discounted perpetual cash flow.

The difference between the purchase price for the business and the acquired net assets according to the acquisition analysis resulted in a goodwill item. Goodwill was largely assessed to consist of intangible assets in the form of customer relationships with existing private customers that do not meet the requirements for separate recognition in the balance sheet.

The significant assumptions used in the calculation of future cash flows were budgeted net sales and operating profit before depreciation on intangible fixed assets for the next five years, discount rate (WACC) calculated at 12.3 (18.1) percent based on weighted average cost of capital, and a long-term growth rate estimated at 2.0 (2.0) percent. The parameters used were based on current outcomes, history, and budgeted growth rate as well as management's assessments and expectations and external sources.

Customer relationships and brands with determinable periods of use

Customer relationships that were identified in connection with Ellos Group's business acquisition were assessed to have an expected useful life of 3 year and is amortised on a straight-line basis over this period. Amortisation of customer relationships is recognised as selling expense.

Brands with indefinite useful lives

For the Group's brands that are deemed to have an indefinite useful life, an impairment test is carried out annually to find out if there are signs that the fair value of the asset is less than the reported value.

Ellos

The Ellos brand has been in existence for more than 75 years, primarily in Sweden but also, through geographic expansion, in Norway, Finland, Denmark and, through partners, in the USA as well as on other companies market platforms in Europe. The brand will continue to be used in a similar way and there are no plans for changes. The brand Ellos is used when establishing new markets, e.g. on external companies' market platforms. Based on the progress of Ellos itself and market trends, it is highly likely that the brand will continue to exist for a very long time to come, which is why the brand has an indefinite useful life.

Jotex

The Jotex brand has been in existence for close to 60 years, primarily in Sweden but also through geographic expansion into Norway, Finland and Denmark as well as in recent years into Germany, Poland, Austria and Netherlands. The brand will continue to be used in a similar way and there are no plans for changes. Based on the progress of Jotex itself and market trends, it is highly likely that the brand will continue to exist for a very long time to come, which is why the brand has an indefinite useful life.

Homeroom

The Homeroom brand is a relatively recently established brand that is expected to account for a large proportion of the Group in the future because of investments being made in this business. The Group plans to continue to invest in the Homeroom brand and the brand is estimated to have an indefinite useful life.

INTERNALLY GENERATED INTANGIBLE ASSETS

Capitalised software development costs

The Group's development expenses for new or improved IT-processes are reported as internally developed intangible assets (development expenditure). The intangible assets are only reported if it is technical and commercially feasible and the Group has the resources to complete the development.

After initial recognition, internally generated intangible assets are recognised at cost after deduction for accumulated amortisation and any accumulated impairment. The useful life of the Group's software is estimated to be 3-10 years. When it is not possible to report any internally developed intangible asset, the expenses for development are reported as an expense in the period in which they arise

In 2017, Ellos Group replaced all IT systems, a project which had then lasted for 3 years. The useful life of some of the systems such as the ERP system have been assessed be at least 10 years as it constitutes an extensive strategically important investment in the long term and is not intended to be renewed at the same rate as other systems where the rate of change is higher. The useful life of these parts have therefore been set at 10 years. Any exchange of these parts of the Group's IT systems is not planned in the near future.

NOTE 16 | TANGIBLE ASSETS

Tangible assets, SEK M	Group							
	2025-12-31				2024-12-31			
	Equipment, tools, fixtures and fittings	Investments in leased property	Construction in progress within property, plant and equipment	Total	Equipment, tools, fixtures and fittings	Investments in leased property	Construction in progress within property, plant and equipment	Total
Opening acquisition value	50.1	57.0	-	107.1	-	-	-	-
Acquisition through business combination	-	-	-	-	46.0	57.0	2.5	105.5
Investments	0.1	-	8.0	8.1	1.1	-	0.5	1.6
Reclassifications	7.9	-	-7.9	-	3.0	-	-3.0	-
Disposals	-0.1	-	-	-0.1	-	-	-	-
Closing acquisition value	58.0	57.0	0.1	115.1	50.1	57.0	-	107.1
Opening amortisation	-2.4	-1.2	-	-3.6	-	-	-	-
Amortisation for the year	-9.9	-4.7	-	-14.6	-2.4	-1.2	-	-3.6
Disposals	0.1	-	-	0.1	-	-	-	-
Closing accumulated amortisation	-12.1	-5.9	-	-18.1	-2.4	-1.2	-	-3.6
Closing balance	45.9	51.1	0.1	97.1	47.7	55.8	-	103.5

The Group's equipment, tools, fixtures and fittings (tangible fixed assets) are taken up at the acquisition value, which is the Group's purchase price for the asset as well as the expenses that are directly attributable to the tangible asset, after deducting accumulated depreciation and any disposals.

Depreciation takes place linearly over the assets' estimated useful life and the useful periods that have been used amount to 3-10 years.

Estimated useful lives, residual values and depreciation methods reviewed at least at the end of each accounting period, the effect of any changes in assessments are reported prospectively.

The Group's investments in leased property is taken up to the acquisition value, which is the Group's purchase price for the asset as well as the expenses that are directly attributable to the material asset, after deduction for accumulated depreciation and any disposals.

Depreciation takes place linearly over the assets' estimated useful life which has been assessed to be 20 years, which in principle corresponds to the lease for the premises where the investment is made.

This year's investments and reclassifications from ongoing investments mainly refers to equipment within logistics and IT equipment.

NOTE 17 | NON-CURRENT RECEIVABLES

	Group	
	2025-12-31	2024-12-31
Capital insurances, SEK M		
Opening acquisition value	9.8	-
Acquisition through business combination	-	9.2
Investments	0.7	0.6
Closing balance	10.5	9.8

Long-term receivables refer to capital insurance secured in favour of pension commitments to senior executive.

NOTE 18 | INVENTORY AND RETURN ASSETS

SEK M	Group	
	2025-12-31	2024-12-31
Goods for resale	616.2	545.6
Goods in transit	148.1	116.1
Total	764.3	661.7
Return assets	17.4	19.5

Inventories were valued at the lowest of cost and net realizable value. The net realizable value has been estimated of the Group and is an estimated sales price after deductions for estimated costs necessary to accomplish a sale. When calculating the net sales value, an assessment is made of the price at which it is possible to sell the current inventory. Estimated sales costs based on forecasts are taken into account in the calculation. The sales costs that are calculated consist of, for example, marketing costs and costs for customer service. In that case the net sales value is less than the book value, a write-down (obsolescence) is made based on the calculated net realizable value. The acquisition value is calculated by calculating a weighted average for each delivery. The obsolescence that has been reported amounts to SEK 30.2 (29.7) million.

The inventory carrying cost amounted to SEK 1,505.6 (468.0) million and is reported on the line for cost of goods sold.

Return assets are reported as a separate item in the balance sheet, which is an estimated inventory asset based on what has been estimated that customers will return in 2026 for sales reported in 2025.

NOTE 19 | TRADE RECEIVABLES

Ellos Group categorizes accounts receivable as "Financial assets valued at amortized cost". Accounts receivable expected maturity is short, which is why accounting takes place at nominal value amount without discounting. Deductions are made for expected credit losses. The amount of expected credit losses is updated at the end of each reporting period. The Group always reports anticipated credit losses for the remaining term of accounts receivable in accordance with the simplified model. Impairments of accounts receivable is reported as a cost in the income statement.

Accounts receivable that arise continuously in the business and where the customer has chosen to pay for their goods with an invoice or instalment payment are sold daily to Resurs Bank, which is why a relatively low accounts receivable is reported as of the balance sheet date, see further information in note 4. Accounts receivable normally fall due for payment within 0-30 days and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognized at the transaction price.

SEK M	Group	
	2025-12-31	2024-12-31
Trade receivables, gross	59.1	60.6
Provision for doubtful receivables at the beginning of the year	-2.7	-
Realised doubtful debts, net	-2.1	-2.7
Provision for uncertain receivables at the end of the year	-4.8	-2.7
Trade receivables, net	54.3	57.9

Age analysis trade receivables, SEK M	Group											Trade receivables, gross
	Resurs Bank	B2B	Credit Card	Collection	Other	Trade receivables, gross	Resurs Bank	B2B	Credit Card	Collection	Other	
2025-12-31												
Not due	11.8	25.1	8.1	-	2.9	47.9	-	-0.3	-0.1	-	-0.4	47.5
Past due 30 days	-	3.0	-0.1	-	-	2.9	-	-	-	-	-	2.9
Past due 31-60 days	-	1.4	-0.1	-	-	1.3	-	-0.2	-	-	-0.2	1.1
Past due 61-90 days	-	0.2	-0.1	-	-	0.1	-	-	-	-	-	0.1
Past due > 90 days	-	4.8	0	2.2	-0.1	6.9	-	-4.0	-	-0.2	-4.2	2.7
Total	11.8	34.5	7.8	2.2	2.8	59.1	-	-4.5	-0.1	-0.2	-4.8	54.3
2024-12-31												
Not due	17.8	18.4	13.2	-	2.8	52.2	-	-1.5	-0.1	-	-1.6	50.6
Past due 30 days	-	1.6	-0.4	-	-	1.2	-	-	-	-	-	1.2
Past due 31-60 days	-	2.0	-0.1	-	-	1.9	-	-0.5	-	-	-0.4	1.4
Past due 61-90 days	-	0.3	-0.1	-	-	0.2	-	-	-	-	-	0.2
Past due > 90 days	-	1.6	0	3.6	-0.1	5.1	-	-0.7	-	0.1	-0.6	4.5
Total	17.8	23.9	12.6	3.6	2.7	60.6	-	-2.7	-0.1	0.1	-2.7	57.9

The Group sells most of its receivables daily to Resurs Bank, which also pays for these daily to the Group, which is why the Group's outstanding credit risks for these receivables are limited. Therefore, no reserve for doubtful receivables is made regarding receivables at Resurs Bank. Of the non-due receivables at Resurs Bank amounting to SEK 11.8 (17.8) million, SEK 5.5 (12.8) million has been paid and reported to the bank the following day. Ellos Group has some partners (B2B customers) where the credit risk is assessed as low. Non-overdue credit card payments are normally received within a few days.

Ellos Group sells daily invoice and instalment receivables arising in the business to Resurs Bank. The remaining receivables in the Group mainly concern corporate customers and collection receivables. Most of the receivables that are overdue by more than 90 days are receivables that were not sold to Resurs Bank at the time of the agreement's entry. The company's assessment is that payment will be received for most of these collection receivables as ongoing payments continue to be received.

NOTE 20 | OTHER CURRENT RECEIVABLES

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Deposition, card payments	29.9	21.3	-	-
Blocked bank funds	0.1	95.1	0.1	0.1
Blocked bank funds, acquired in acquisition	-	71.5	-	71.5
Other current receivables	5.7	10.6	-	4.1
Total	35.7	198.5	0.1	75.7

NOTE 21 | PREPAID EXPENSES AND ACCRUED INCOME

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Prepaid expenses	26.4	25.3	1.6	-
Accrued income	24.9	27.8	-	-
Accrued interest income	1.2	1.6	0.2	5.4
Total	52.5	54.7	1.8	5.4

Accrued income in the Group mainly refers to additional purchase consideration from Resurs Bank See further information in note 4.

NOTE 22 | CASH AND CASH EQUIVALENTS

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Cash and bank	188.3	182.3	5.6	9.3
Total	188.3	182.3	5.6	9.3

NOTE 23 | SHARE CAPITAL

At the end of the year, the share capital amounted to 793,326,500 SEK divided into 793,326,500 shares. The quotient value is 1 SEK. All shares are fully paid.

Change in number of shares/share capital

Date	Event	Number of shares	Share capital (SEK)
2024-08-21	Formation	25,000	25,000
2024-12-17	Set-off issue	793,326 500	793,326,500
2024-12-17	Withdrawal of shares	-25,000	-25,000
Total at the end of the year		793,326,500	793,326,500

NOTE 24 | INTEREST-BEARING BOND LOANS

Non-current liabilities, SEK M	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Interest-bearing bond loans	750.0	1,163.8	750.0	1,163.8
Total	750.0	1,163.8	750.0	1,163.8

As of 15 December 2025, two super senior bonds with an aggregate nominal amount of SEK 413.8 million have been redeemed early.

Further information about the Group's bonds can be found in note 29, which contains information about the Group's interest-bearing liabilities and their contractual terms, as well as the credit and interest rate risks to which the Group is exposed as a result of the liabilities.

NOTE 25 | DEFERRED TAX

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the Group's financial statements and the tax value used in calculating taxable profit. Deferred tax liabilities are recognized to the extent that it is probable that the amounts can be utilized against future taxable surpluses. Deferred tax is calculated according to the tax rates expected to apply for the period when the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been decided or announced in each country as of the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to utilize, in whole or in part, against the deferred tax asset. Tax loss carryforwards in the Group refer to losses accumulated up to the balance sheet date. As the assessment is that these losses will be able to be utilized against taxable surpluses, in addition to surpluses resulting from the reversal of existing taxable temporary differences, within a foreseeable future, a deferred tax asset has been recognized.

Deferred tax, SEK M	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Deferred tax assets				
Tangible fixed assets	0.0	0.1	-	-
Right-of-use assets	1.5	0.3	-	-
Pension obligations	5.1	8.9	-	-
Tax loss carryforwards	0.3	0.3	-	-
Other	1.4	0.8	-	-
Total	8.3	10.4	-	-
Deferred tax liabilities				
Intangible assets - trademarks and customer relationships	-202.5	-216.7	-	-
Derivatives - cash flow hedging	0.0	-1.8	-	-
Other	-1.6	-3.1	-	-
Total	-204.1	-221.6	-	-
Total deferred tax, net	-195.8	-211.2	-	-

	Group		Parent company	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Change in deferred tax asset, SEK M				
Opening balance	10.4	-	-	-
Additions from business acquisitions	-	13.7	-	-
Recognised in the income statement	-2.1	-3.5	-	-
Recognised in other comprehensive income				
- Deferred tax revaluation of pension plans	0.0	0.2	-	-
Closing balance	8.3	10.4	-	-
	Group		Parent company	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Change in deferred tax liabilities, SEK M				
Opening balance	-221.6	-	-	-
Additions from business acquisitions	-	-224.9	-	-
Recognised in the income statement	16.1	5.3	-	-
Recognised in other comprehensive income				
- Deferred tax cash flow hedges	1.4	-2.0	-	-
Closing balance	-204.1	-221.6	-	-

NOTE 26 | EMPLOYEE BENEFITS

The Group's pension commitments include both defined contribution and defined benefit pension plans.

Defined contribution plans

The Group's defined contribution pension plans are in Sweden and the plan is unfunded. The total cost for the Group's defined contribution pension plans amounted to SEK 4.1 million.

Defined benefit pension plans that cover several employers - The Alecta plan

For salaried employees in Sweden, the ITP 2 plan's defined benefit pension commitments for old-age and family pensions are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Classification of ITP plans financed by insurance in Alecta, this is a defined benefit plan that covers several employers. For the financial year 2025, the company did not have access to information in order to be able to report its proportionate share of the plan's obligations, plan assets and costs, which meant that the plan was not possible to report as a defined benefit plan. The pension plan, is therefore reported as a defined contribution plan.

The premium for the defined-benefit old-age and family pension is calculated individually and is, among other things, dependent on salary, previously earned pension and the expected remaining period of service. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan are insignificant.

The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 and 175 percent. In order to strengthen the level of consolidation if it is deemed to be too low, one measure may be to increase the agreed price for new subscriptions and extensions of existing benefits.

Defined benefit pension plans

The Group's obligation in respect of ITP 2 is financed by the Group, that is, the Group manages the pension assets until it is time to pay out pensions. The Group's intention is that pension assets will act as a long-term source of funding, while employee pensions are also guaranteed. Thus, ITP 2 constitutes a so called unfunded pension plan.

The latest actuarial calculation of the present value of the defined benefit obligation was carried out by PRI Pensionsgaranti. The present value of the defined benefit obligation and the related service costs for the current period as well as the service costs from previous periods have been calculated using the so-called Projected Unit Credit Method.

The plan exposes the Group to several actuarial risks such as interest rate risk, longevity risk, income base amount development risk, and investment risk. The most important actuarial assumptions are shown below:

	Group	
	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Actuarial assumptions		
Discount rate	3.80%	3.00%
Expected salary increase	0.00%	0.00%
Inflation	1.70%	1.80%
Income base amount increase/decrease	0.00%	0.00%
Life span	DUS23	DUS23

Assumptions regarding life expectancy are based on official statistics and experience from mortality estimates in Sweden made by actuarial experts.

Pension costs

	Group	
	2025-01-01 -2025-12-31	2024-09-03 -2024-12-31
Pension costs for defined benefit plan, SEK M		
<i>Recognised in income statement</i>		
Employment costs during the current period	-	-
Effects of adjustments	-	-
Interest expense	-3.6	-0.9
Total	-3.6	-0.9
<i>Recognised in other comprehensive income</i>		
Remeasurement of the net defined benefit liability		
- Actuarial gains and losses arising from changes to financial assumptions	15.8	-4.9
- ctuarial gains and losses arising from changes to experience	1.1	-0.2
Total	16.9	-5.1
Total pension costs for defined benefit plan	13.3	-6.0

The defined benefit costs were recognised as personnel costs in the consolidated income statement.

Defined benefit obligations

	Group	
	2025-12-31	2024-12-31
Defined benefit pension obligations in the balance sheet, SEK M		
Unfunded pension obligations including payroll tax	108.0	129.0
Net unfunded and funded pension obligations	108.0	129.0
	Group	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Change in defined benefit obligations, SEK M		
Defined benefit obligations at the beginning of period	129.0	-
Assumed obligations from business combinations	-	122.6
Employment costs during the current period	-3.8	-
Interest expense	3.6	0.9
Actuarial gains (-) and losses related to		
- Effects of adjustments	-16.9	6.4
- Pension payments	-3.9	-0.9
Defined benefit obligations at the end of the period	108.0	129.0

Sensitivity analysis

The most significant actuarial assumptions used in the calculation of the defined benefit obligation are the discount rate, inflation and life expectancy assumptions. The sensitivity analysis shows how feasible changes in these assumptions could affect the reported net defined benefit liability (negative sign refers to reduced liability):

MSEK	Group	
	2025-12-31	2024-12-31
Change in discount rate + 0.5%	-7.4	-9.6
Change in discount rate -0.5%	8.3	10.8
Change in inflation + 0.5%	8.3	10.8
Change in inflation -0.5%	-7.6	-9.7
Change in life expectancy assumption + 1 year	3.1	3.9

The sensitivity analysis is based on a change in one assumption while all other assumptions are held constant. In practice, it is unlikely that this will occur, and some changes in assumptions may be correlated. The same method has been used in the calculation of the sensitivity analysis as in the calculation of the pension liability in the balance sheet.

The Group estimates that next year it will pay SEK 3.9 million in premiums for the Group's defined benefit plans.

NOTE 27 | PROVISIONS

Current provisions, SEK M	Group	
	2025-12-31	2024-12-31
At the beginning of the year	2.9	-
Acquired through business acquisition	-	1.7
Additional costs	0.5	2.1
Amount that has been claimed	-2.0	-1.0
At the end of the year	1.4	2.9

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

During 2025, a restructuring provision was recognised for personnel costs in connection with a reorganisation within the Group. The provision recognised during the year amounted to SEK 0.5 million. A decision was taken during 2025 and all affected employees have been informed.

NOTE 28 | ACCRUED EXPENSES

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued salaries	17.2	1.4	1.2	0.2
Accrued holiday pay	46.5	45.6	-	-
Accrued social security contributions	6.9	6.9	-	-
Accrued liability, specifically payroll tax	7.0	8.2	-	-
Accrued custom liabilities	22.2	21.4	-	-
Accrued freight costs	28.8	14.9	-	-
Accrued marketing cost	47.3	46.4	-	-
Accrued interest expenses	5.9	6.1	4.8	7.6
Other	52.6	52.3	1.8	12.8
Total	234.4	203.2	7.8	20.6

FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to financial risks such as currency risk, interest rate risk, credit risk and liquidity and financing risk. The Group's financial policy describes how to manage these financial risks. The financial policy is seen as tool for monitoring financial operations and establishes the framework within which the Group operates. It is reviewed annually and approved by the Board of Directors. The overarching objective is to limit the financial volatility in the income statement and balance sheet, to protect financial assets and future cash flows and to optimise the Group's financing and meet any requirements in financing agreements. During 2025, the Group applied a temporary addendum to its financial policy as a result of bank-imposed restrictions during the Group's refinancing process, which limited the Group's ability to hedge currency risk through forward exchange contracts.

The financial policy refers to four decision-making levels: the Group's Board of Directors, the CEO, the CFO and the Group's integrated treasury team. The Group's Board of Directors approves policy and guarantees of more than SEK 5 million, is responsible for medium-term to long-term financing and is responsible for upholding covenants. Otherwise the Board of Directors delegates management of financial risks to the CEO, who is responsible for reporting deviations from policy to the Board of Directors. The CEO approves guarantees of up to SEK 5 million. Management of other financial risks is delegated to the CFO, who approves banks and supervises the treasury team. The CFO delegates management of other financial risks to the treasury team. The treasury team identifies and analyses risks, proposes measures to limit risks to the CFO, acts on the CFO's decisions, trades within the policy, and ensures that financial and commercial risks are limited in close cooperation with the Group's operating entities, with approval from the Group's CFO.

CURRENCY RISK

The Group operates in the Nordic countries and in some countries in the rest of Europe via the brand Ellos and Jotex. The Group's products are purchased from Asia and Europe. Through its international trading the Group is exposed to currency risk, both via transactions in foreign currency (transaction exposure) and via translation of foreign subsidiaries' income statements and balance sheets to Swedish krona (translation exposure). According to this policy, currency flows in operating activities are hedged using currency forwards.

Cash flows in foreign currency, SEK M	Group			
	2025-01-01 –2025-12-31		2024-10-15 –2024-12-31	
	Inflow	Outflow	Inflow	Outflow
USD	6.7	672.3	2.1	162.8
EUR	548.5	309.3	162.0	80.1
NOK	519.2	47.0	140.0	14.0
DKK	208.6	25.6	54.4	9.2
Other currencies	22.9	22.5	6.0	8.0
Total	1,306.0	1,076.8	364.5	274.1

The table shows the Group's purchases and sales of goods and services in foreign currency.

Commercial transaction exposure

The Swedish operations import the majority of the goods sold within the Group. The primary import currency is USD. Goods and services are sold by the Swedish operations to the Group's companies and are invoiced in the recipients' respective functional currencies, being SEK, NOK, DKK and EUR. Sales to customers in the Group's foreign subsidiaries are conducted in local currency, resulting in the foreign subsidiaries to a significant extent managing both revenues and costs in local currency, thereby creating a degree of natural hedging. The Swedish operations also primarily sell in EUR to customers in Europe, as well as in PLN to customers in Poland and CZK to customers in the Czech Republic. Transaction exposure and hedging activities are therefore concentrated to a limited number of entities within the Group. The Board of Directors has resolved to apply hedge accounting and, in accordance with the Group's financial policy, transaction exposure is to be reduced through the use of derivative instruments. The Group's policy is to hedge 70–100 per cent of forecast cash flows. During 2025, the Group applied a temporary addendum to the financial policy, resulting in a lower hedging ratio during the year. The value of outstanding foreign exchange forward contracts at year-end amounted to SEK 0.1 million (7.8).

Financial transaction exposure

The Group's liquid assets in foreign currency are managed in accordance with the financial policy. The nominal amounts are in SEK, NOK, DKK, and EUR and are held in a Nordic cash pool. According to the policy, financial transaction exposure should be fully hedged with currency swaps. Hedging means that currency fluctuations are minimized in the Group's income statement. During 2025, the Group did not use currency swaps to hedge financial transaction exposure as a result of a temporary addendum to the financial policy.

Sensitivity analysis

A significant portion of the Group's revenues and costs is generated in foreign currencies, giving rise to foreign exchange risk. The Group's sensitivity to fluctuations in exchange rates is based on the

exposure existing at the balance sheet date, i.e. the net position of trade receivables and trade payables denominated in foreign currencies. The sensitivity analysis shows the impact on profit before tax of a hypothetical change in exchange rates of +10 per cent without hedging, as well as the impact on profit before tax when measured using the prevailing forward exchange rates and an estimated hedging ratio of 93 per cent in accordance with the temporary financial policy. The analysis assumes that all other factors affecting profit remain unchanged.

Sensitivity analysis, 10% change in exchange rate, SEK M	Group			
	2025-01-01 –2025-12-31		2024-10-15 –2024-12-31	
	Impact on the result before hedging	Impact on the result after hedging	Impact on the result before hedging	Impact on the result after hedging
DKK	1.6	0.1	2.1	1.0
EUR	0.6	0.0	2.1	1.0
HKD	-0.2	0.0	-0.2	-0.1
NOK	3.9	0.3	4.9	2.4
USD	-7.5	-0.6	-8.0	-3.7
Other currencies	0.0	0.1	-0.1	0.1
Total	-1.6	-0.1	0.8	0.7

Translation exposure

The Group's subsidiaries outside Sweden have net assets in functional currencies that differ from the Group's reporting currency, SEK. When the subsidiaries' income statements and balance sheets are translated into SEK, translation differences arise, which are reported in other comprehensive income. The translation differences related to net investments in foreign currency are not hedged but are monitored and calculated regularly in accordance with the financial policy to assess the impact on the Group's results and financial position. The effect in other comprehensive income from the translation of foreign subsidiaries' net assets into SEK amounted to SEK -17.4 (0.2) million during the year.

INTEREST RATE RISK

Interest rate risk is the risk that the value of financial instruments, interest-bearing assets and liabilities, as well as income, expenses and cash flows, changes as a result of fluctuations in market interest rates. In order to ensure efficiency and sound risk control, borrowing is managed centrally by the Group's treasury function. The Group is exposed to interest rate risk through interest-bearing borrowings, which constitute one of the Group's sources of financing alongside equity and cash flows from operating activities. Interest-bearing borrowings mainly consist of a bond of SEK 750 million maturing on 28 November 2028 and revolving credit facilities of SEK 400 million maturing on 12 December 2028, all of which carry floating interest rates.

The Group's customers can choose a credit-based payment solution, which leads to accounts receivable being sold daily to Resurs Bank at nominal value. There are risks associated with earnings from the payment solutions. Through the collaboration with Resurs Bank, Ellos Group has limited exposure to risks associated with credit granting, such as risks regarding customers' repayment ability and interest rate risk linked to the financing cost.

Interest rate exposure

The average interest rate fixation period for the Group's external borrowings amounted to three months at the end of 2025. If interest rates were to increase by +1 percentage point in all countries where the Group has borrowings or investments, the estimated effect on net financial items would amount to approximately SEK 11.5 million before tax. The Group has a bond amounting to SEK 750 million carrying interest at three-month STIBOR plus 5.0 per cent, as well as revolving credit facilities of SEK 400 million with a floating interest rate of three-month STIBOR plus 2.50 per cent.

CREDIT RISK

Credit risk refers to the risk that the counterparty in a transaction causes the Group a loss by not fulfilling their contractual obligations.

Credit exposure

The majority of the Group's credit risk pertains to accounts receivable, and continuous efforts are made to limit this risk. Corporate customers are checked regarding their current financial situation, previous credit history, and other relevant factors. The Group's trade receivables primarily relate to private customers and are sold on a daily basis to Resurs Bank, as well as a limited number of corporate customers. The Group had no single corporate customer that accounted for more than 10.3 (8.6) percent of the outstanding accounts receivable as of the balance sheet date. The credit quality of financial assets that have not yet matured or are not impaired as of the balance sheet date is considered good. The Group's maximum exposure to credit risk is deemed to correspond to the reported values of all financial assets. See also Note 19 for the aging distribution of accounts receivable and additional information on the Group's management of credit risks.

SEK M	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued income	26.1	29.4	0.2	5.4
Trade receivables	54.3	57.9	-	-
Receivables from group companies	-	-	109.3	485.8
Derivatives with positive market values	3.5	8.9	-	-
Other current receivables	35.7	198.4	0.1	75.7
Cash and cash equivalents	188.3	182.3	5.6	9.3
Maximum exposure to credit risk	307.9	476.9	115.2	576.2

Counterparty credit exposure

Counterparty exposure refers to the dealings of bank funds, financing commitments, and financial derivatives that the Group has with external parties and the underlying risk that such a party cannot fulfil its obligations under the existing agreements. A list of approved counterparties and the maximum exposure to each approved counterparty is maintained by the financial policy. Approved counterparties must have a credit rating of at least A-/A2 according to credit assessments from Fitch, Standard & Poor's, or Moody's. Exceptions can be made for local banks with the approval of the CFO. The credit reserve for liquid assets is calculated using the general model based on the probability of default according to the counterparty's rating and the exposure on the balance sheet date. Due to the short maturity and highly rated counterparties, the amount is insignificant. The credit risk reserve for accounts receivable is shown in Note 19. Other assets mainly refer to deposits with the Group's payment card partners, restricted bank funds, and VAT receivables where there is no credit risk.

CAPITAL STRUCTURE AND CAPITAL MANAGEMENT

The Group's objective is to have a capital structure that ensures long-term sustainability in operations and generates returns for shareholders and benefits for other stakeholders. The Group continuously monitors net debt, which is defined as interest-bearing liabilities, excluding pension liabilities and lease liabilities, less cash and cash equivalents and other interest-bearing assets. The financing agreements mature within three years from the balance sheet date, and the Group's forecasted future cash flows are expected to meet these obligations. The Group's interest-bearing borrowings comprise a bond with

a nominal amount of SEK 750 million and available revolving credit facilities of SEK 400 million, of which SEK 200 million was utilised as at the balance sheet date. Both the bond and the revolving credit facilities carry floating interest rates.

Maturity	Type of loan	Currency	Nominal amount	Carrying amount
<i>Long-term loans</i>				
2024-2028	Bond	SEK	750.0	750.0
2025-2028	Revolving credits	SEK	200.0	200.0
Total borrowing			950.0	950.0

The weighted average interest rate at the end of 2025 amounted to 6.1 (7.1) per cent. The Group's financing agreements include requirements relating to three specified financial covenants: leverage ratio, inventory ratio and liquidity. Management and the Board of Directors continuously monitor the Group's forecast performance in relation to the covenant thresholds and ensure that the Group complies with its commitments to external lenders.

The amounts presented in the table below represent contractual, undiscounted cash flows, including interest and repayments. In the table, the interest rate prevailing at the balance sheet date has been assumed for future interest payments. All cash flows denominated in foreign currencies have been translated into SEK using the exchange rates at the balance sheet date.

Maturity of financial liabilities, SEK M	Group											
	2025-12-31						2024-12-31					
	Book value	< 3 months	3-12 months	1-5 year	> 5 year	Total	Book value	< 3 months	3-12 months	1-5 year	> 5 year	Total
Interest-bearing bond loan	750.0	13.0	38.9	853.8	-	905.7	1,163.8	20.7	62.1	1,361.3	-	1,444.1
Other interest-bearing non-current liabilities	200.0	-	-	200.0	-	200.0	-	-	-	-	-	-
Lease liabilities	437.1	21.8	65.4	332.2	51.1	470.5	472.6	21.7	65.2	341.0	84.4	512.3
Derivates	3.4	3.4	-	-	-	3.4	1.1	1.1	-	-	-	1.1
Trade payables	240.6	240.6	-	-	-	240.6	231.7	231.7	-	-	-	231.7
Other liabilities	158.3	158.3	-	-	-	158.3	162.8	162.8	-	-	-	162.8
Accrued expenses	234.4	234.4	-	-	-	234.4	203.1	203.1	-	-	-	203.1
Total	2,023.8	671.4	104.3	1,386.0	51.1	2,212.9	2,235.1	641.1	127.3	1,702.3	84.4	2,555.1

Maturity of financial liabilities, SEK M	Parent company											
	2025-12-31						2024-12-31					
	Book value	< 3 months	3-12 months	1-5 year	> 5 year	Total	Book value	< 3 months	3-12 months	1-5 year	> 5 year	Total
Interest-bearing bond loan	750.0	13.0	38.9	853.8	-	905.7	1,163.8	20.7	62.1	1,361.3	-	1,444.1
Trade payables	0.8	0.8	-	-	-	0.8	0.7	0.7	-	-	-	0.7
Liabilities to group companies	1.9	1.9	-	-	-	1.9	0.4	0.4	-	-	-	0.4
Other liabilities	0.1	0.1	-	-	-	0.1	-	-	-	-	-	-
Accrued expenses	7.8	7.8	-	-	-	7.8	20.7	20.7	-	-	-	20.7
Total	760.6	23.6	38.9	853.8	-	916.3	1,185.6	42.5	-	-	-	1,465.9

LIQUIDITY AND FINANCING RISK

Liquidity risk refers to the risk that the Group will not be able to meet its obligations related to the Group's financial liabilities. Financing risk refers to the risk that the Group will not be able to obtain sufficient financing at a reasonable cost. In accordance with the financial policy, forecasts of the Group's cash flows and liquidity reserves are continuously monitored to ensure that the Group has sufficient liquid assets to meet the needs of ongoing operations as well as cover interest payments and amortizations. The forecasts are combined with external analysis and various simulations and are addressed both in management meetings and in regular communication with the board. Necessary actions are taken as needed.

The Group actively works to ensure an efficient cash management structure through the Group's cash pool. The placement of the Group's cash and cash equivalents should be made in bank accounts or interest-bearing instruments with high liquidity. The subsidiaries' cash and cash equivalents are managed by the Group's treasury team to ensure compliance with the policy's regulations. By ensuring access to guaranteed long-term credit facilities and spreading maturity dates and financing sources regarding borrowing, the Group aims to avoid high financing costs and difficulties with refinancing.

NOTE 30 | FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets are valued in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. The Group only holds instruments that are valued at amortized cost and financial liabilities/assets that are valued at fair value through profit or loss (derivatives not used for hedge accounting). The classification of financial assets is based partly on the nature of the financial asset's contractual cash flows and partly on the company's business model. In order to initially classify a financial asset at amortized cost, the contractual cash flows must consist solely of payments of principal and interest, and the Group's business model for holding the asset must be to collect those cash flows.

The Group's financial liabilities, except for derivative instruments, are valued at amortized cost using the effective interest method. Derivative instruments not held for hedge accounting are recognized at fair value through profit or loss.

DERIVATIVES

The Group enters into derivative transactions to manage currency risks. The Group applies hedge accounting where possible, and the derivative instruments are therefore categorized as either 'Currency forwards used for hedging purposes' or 'Currency forwards not used for hedging purposes.' Derivative instruments with a positive fair value are recognized as assets, and derivative instruments with a negative fair value are recognized as liabilities. Changes in the value of derivative instruments not held for hedging purposes are recognized either in net financial items or in operating profit, depending on the purpose of the instrument.

Unrealized changes in the value of derivative instruments identified as cash flow hedges are recognized, to the extent they are highly effective, in other comprehensive income, and the accumulated value changes are recognized in the hedging reserve in equity. When the forecasted transaction occurs (e.g., hedged forecasted sales), the accumulated value changes recognized in the hedging reserve are transferred from equity to the income statement. The Group does not hold any interest rate derivatives. Hedge accounting ceases when the hedge no longer meets the criteria for hedge accounting, the Group revokes the designation, the forecasted transaction is no longer expected to occur, or the hedging instrument expires, is sold, terminated, or exercised. The value changes recognized in the hedging reserve in equity remain until the forecasted transaction affects the income statement or is no longer expected to occur. Thereafter, the value changes are transferred to the income statement.

At the end of the year, the Group had hedge-accounted currency forward contracts, which have been recognized at fair value in the statement of financial position. The table shows the recognized values and a sensitivity analysis, as well as the effect of a +10 percent change in exchange rates. A negative amount refers to a hedged inflow, and a positive amount refers to a hedged outflow. All forward contracts mature in 2026.

Forward contracts, SEK M	Net amount in currency	Nominal amount SEK	Sensitivity analysis +10% effect
DKK	-44.2	-64.1	-6.4
EUR	-4.3	-46.7	-4.7
HKD	2.8	3.3	0.3
NOK	-172.3	-157.4	-15.7
PLN	-2.1	-5.4	-0.5
USD	13.3	122.0	12.2
Total	-206.8	-148.3	-13.8
Tax effect 20.6%			2.8

FAIR VALUE OF ASSETS AND LIABILITIES

Financial assets and financial liabilities measured at fair value in the balance sheet are classified into one of three levels based on the information used to determine the fair value. The tables show the Group's classification of financial assets and financial liabilities measured at fair value. During the periods, there have been no significant transfers between the levels.

The carrying amount of interest-bearing assets and liabilities may differ from their fair value, among other things, as a result of changes in market interest rates. The Group assesses that the interest rate on the interest-bearing liabilities is in accordance with market conditions as of December 31, 2025, and that the fair value on the balance sheet date therefore corresponds to the nominal amount.

For financial instruments such as trade payables and other non-interest-bearing financial assets and liabilities, which are recognised at amortised cost less any impairment, this amount is estimated to correspond to the fair value, which coincides with the carrying amount due to short maturities. The Group's derivatives instruments were recognised at fair value in the consolidated statement of financial position, were measured according to Level 2 in the IFRS 13 fair value hierarchy.

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Financial assets at amortised cost				
Trade receivables and accrued income	80.4	87.3	-	-
Other assets valued at amortised cost	35.7	198.4	109.4	561.5
Cash and cash equivalents	188.3	182.3	5.6	9.3
Total	304.4	468.0	115.0	570.8
Financial assets at fair value				
Trade receivables Resurs Bank	5.5	12.8	-	-
Derivatives				
- Currency forwards used for hedging purposes	3.5	8.9	-	-
- Currency forwards not used for hedging purposes	-	-	-	-
Total	9.0	21.7	-	-
Total financial assets	313.4	489.7	115.0	570.8

Currency forwards not used for hedging purposes are held to reduce currency risk in intra-Group flows. Accounts receivable that are reported at fair value refer to accounts receivable that are sold daily to Resurs Bank.

MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Financial liabilities at amortised cost				
Trade payables and other liabilities	633.3	597.6	10.5	21.8
Interest-bearing bond loans	750.0	1,163.8	750.0	1,163.8
Total	1,383.3	1,761.4	760.5	1,185.6
Financial liabilities at fair value				
Derivatives				
- Currency forwards used for hedging purposes	3.4	1.1	-	-
- Currency forwards not used for hedging purposes	-	-	-	-
Total	3.4	1.1	-	-
Total financial liabilities	1,386.7	1,762.5	760.5	1,185.6

Currency forwards not used for hedging purposes are held to reduce currency risk in intra-Group flows. There have been no reclassifications between the valuation categories above during the period.

Net gains/losses from financial assets and financial liabilities are shown in the table.

MSEK	Group	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Interest income from trade receivables and accrued income	4.8	1.1
Interest expenses on trade payables and other liabilities	-0.1	-
Interest expense on borrowings	-79.5	-53.4
Interest expense/income for derivatives used for hedging purposes	-0.6	-1.8
Interest expense for derivatives not used for hedging purposes	-13.5	-2.3
Net gain/loss	-88.9	-56.4

CURRENCY FORWARDS

Currency forwards are measured on the basis of observable information regarding currency rates and market interest rates as at the balance sheet date for the remaining term (that is, discounted cash flows). Financial assets and financial liabilities measured at fair value in the balance sheet are categorised according to the three-level fair value hierarchy in IFRS 13 (Level 1, 2 or 3). Measurement of all currency derivatives is categorised in Level 2.

OFFSETTING INFORMATION

The group has no netted items in the balance sheet. ISDA netting agreements exist with derivative counterparties. Below are amounts that are not offset but are covered by these framework agreements.

MSEK	Group		
	Amounts recognised in balance sheet	Financial instruments	Net amount
2025-12-31			
<i>Financial assets</i>			
Recognised positive derivatives	3.5	-3.4	0.1
<i>Financial liabilities</i>			
Recognised negative derivatives	3.4	-3.4	-
Total	6.9	-6.8	0.1
2024-12-31			
<i>Financial assets</i>			
Recognised positive derivatives	8.9	-1.1	7.8
<i>Financial liabilities</i>			
Recognised negative derivatives	1.1	-1.1	-
Total	10.0	-2.2	7.8

HEDGE ACCOUNTING AND DERIVATIVES

The Group is exposed to currency risk in its operations associated with purchasing and sales denominated in foreign currency. This risk is managed through the use of currency forwards. Currency forwards are the designated hedging instruments in cash flow hedging relating to projected purchasing and sales denominated in EUR, NOK, DKK, USD, HKD and PLN.

The Group's outstanding forward contracts for purchases and sales

Nominal amount by maturity date, SEK M	Group							
	2025-12-31				2024-12-31			
	< 3 months	3-6 months	6-12 months	TOTAL	< 3 months	3-6 months	6-12 months	TOTAL
EUR	-1.5	-2.8	-	-5.8	-5.5	-0.9	-	-6.3
NOK	-87.3	-85.0	-	-172.3	-100.0	-8.3	-	-108.3
DKK	-22.6	-21.6	-	-44.2	-26.8	-4.4	-	-31.2
USD	13.3	-	-	13.3	13.4	-	-	13.4
HKD	2.8	-	-	2.8	3.6	-	-	3.6
PLN	-1.9	-0.2	-	-2.1	-1.8	-0.3	-	-2.0
Total	-97.2	-109.6	-	-206.8	-117.1	-13.9	-	-130.8

Average rate to SEK by maturity date	Group					
	2025-12-31			2024-12-31		
	< 3 months	3-6 months	6-12 months	< 3 months	3-6 months	6-12 months
EUR	10.97	10.93	-	11.34	11.59	-
NOK	0.92	0.92	-	0.97	0.98	-
DKK	1.46	1.47	-	1.53	1.56	-
USD	9.43	-	-	10.44	-	-
HKD	1.21	-	-	1.34	-	-
PLN	2.57	2.54	-	2.59	2.64	-

	Group	
	2025-12-31	2024-12-31
The effect of the hedging instrument on consolidated balance sheet, SEK M		
<i>Currency forwards with positive/negative value</i>		
Nominal amount	-	-
Carrying amount	0.1	-7.8
Line in balance sheet	Derivatives	Derivatives
Change in fair value	-29.0	19.5

	Group	
	2025-12-31	2024-12-31
Effect of hedged item on consolidated balance sheet, SEK M		
<i>Currency forwards with positive/negative value</i>		
Change in fair value	-29.0	19.5
Hedging reserve	2.0	7.7

	Group	
	2025-01-01 -2025-12-31	2024-10-15 -2024-12-31
Effect of cash flow hedges on income statement and other comprehensive income, SEK M		
<i>"Very probable forecasted sale/cost of goods sold"</i>		
Hedging gains/losses recognised in other comprehensive income	-29.0	19.5
Ineffectiveness reported in income statement	-	-
Line in income statement	-	-
Reclassified from other comprehensive income to income statement	-21.9	-9.8
Line in income statement	Sales/Cost of goods sold	Sales/Cost of goods sold

NOTE 31 | BUSINESS ACQUISITION

Ellos Holding AB (publ), company registration number 559495-4116, acquired all shares in Ellos Group Nordic AB (publ), company registration number 559318-3618, on October 15, 2024, and the "Ellos Group" was formed. The acquisition is classified as a business acquisition according to IFRS 3. This means that acquired assets, liabilities, and contingent liabilities are valued at fair value on the acquisition date. All acquired items have a reported value corresponding to fair value. The purchase price of SEK 1,326.7 million consisted of assumed bond loans of SEK 1,750.0 million including accrued interest of SEK 58.4 million, assumed receivables from group companies, restricted bank funds, and a cash settlement.

Purchase price, SEK M		Acquisition analysis, SEK M	
Bond loans including accrued interest	1,808.4	Trademark	859.5
Transferred receivables	-420.1	Customer relations	206.8
Restricted bank funds	-71.5	Other fixed assets	711.4
Cash settlement	10.0	Inventories	746.4
Total	1,326.7	Current receivables	336.3
		Cash & cash equivalents	20.2
Cash flow impact of business acquisition, SEK M		Non-current liabilities and provisions	-1,054.8
Acquired cash in the business	-20.2	Deferred tax liabilities	-219.7
Cash settlement	10.0	Current liabilities	-671.8
Liquidity impact, net	10.2	Acquired net assets	934.3

The acquired net assets according to the acquisition analysis amounted to SEK 934.3 million, resulting in a goodwill item of SEK 392.4 million. Goodwill is largely considered to consist of intangible assets in the form of customer relationships with existing customers that do not meet the criteria for separate recognition in the balance sheet.

Income statement at acquisition, SEK M		Balance sheet at acquisition, SEK M	
Net sales	2,328.1	Development expenses	75.6
Cost of goods sold	-1,364.6	Tangible fixed assets	105.4
Gross profit	963.5	Right-of-use assets	501.4
Selling expenses	-629.5	Other fixed assets	29.0
Administrative expenses	-356.1	Inventories	746.4
Other income	27.4	Current receivables	336.3
Other costs	-9.9	Cash & cash equivalents	20.2
Operating profit	-4.6	Total assets	1,814.3
Financial income	20.3	Equity	87.7
Financial costs	-237.3	Non-current liabilities and provisions	569.6
Profit/loss after financial items	-221.6	Lease liabilities	480.1
Income tax	12.1	Deferred tax liabilities	5.1
Profit/loss for the year	-209.5	Trade payables	258.4
		Other current liabilities	413.4
		Total equity and liabilities	1,814.3

NOTE 32 | PARTICIPATIONS IN GROUP COMPANIES

SEK M	Parent company	
	2025-12-31	2024-12-31
Opening acquisition value	1,326.7	-
Acquisition	-	1,326.7
Outstanding acquisition value	1,326.7	1,326.7

Recognised amount,
SEK M

Moderbolaget

Name	Company registration number	Registered office	Number of shares	Equity share	Moderbolaget	
					2025-12-31	2024-12-31
Ellos Group Nordic AB	559318-3618	Stockholm	500,000	100 %	1,326.7	1,326.7

The group also includes the following indirectly owned subsidiaries

Name	Company registration number	Registered office	Equity share
Ellos Group Holding AB	556857-8511	Stockholm, Sweden	100 %
Ellos 3 AB	556831-9114	Stockholm, Sweden	100 %
Ellos Group Sweden AB	556217-1925	Borås, Sweden	100 %
Ellos AB	556044-0264	Borås, Sweden	100 %
Jotex Sweden AB	556249-7106	Borås, Sweden	100 %
Ellos Finland OY	1442131-6	Helsingfors, Finland	100 %
Ellos Finland OY branch	516411-6237		
Ellos Norway AS	832005622	Oslo, Norway	100 %
Ellos Norway AS branch	516411-6278		
Ellos Denmark A/S	24927814	Köpenhamn, Denmark	100 %
Ellos Denmark A/S branch	516411-6153		
Ellos 1 AB	556783-8858	Borås, Sweden	100 %
Ellos 2 AB	556713-8077	Borås, Sweden	100 %
FAAD AB	559027-6407	Borås, Sweden	100 %

NOTE 33 | PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets, SEK M	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Pledged shares in subsidiaries	4,714.8	5,964.9	1,326.7	1,326.7
Floating charges	3,000.4	3,145.4	-	-
Pledged intra-group loans	145.0	484.1	100.0	484.1
Pledged bank accounts	0.1	95.1	0.1	0.1
Pledged capital insurance policies	10.5	9.6	-	-
Other	5.1	4.3	-	-
Total	7,875.9	9,703.4	1,426.8	1,810.9

Contingent liabilities, SEK M	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Guarantee PRI	97.1	-	97.1	-
General unlimited guarantee	357.7	-	-	-
Guarantee	157.5	153.9	0.1	0.1
Guarantee to PRI	1.9	2.0	-	-
Total	614.2	155.9	97.1	0.1

The Group has bank credit facilities granted amounting to a total of SEK 400 million, and the Group has issued a bond of SEK 750 million. As security for these facilities, the Parent Company and the Group have pledged the shares in all of the Group's subsidiaries and sub-subsidiaries. The Group companies have also provided a general unlimited guarantee amounting to SEK 357.7 million. In addition, floating charges have been registered in some of the Group's companies.

NOTE 35 | EVENTS AFTER THE BALANCE SHEET DATE

On 13 January 2026, Ellos 1 AB, Ellos 2 AB and FAAD AB were merged into Ellos Group Sweden AB.

On 3 February 2026, Ellos Group Holding AB was merged into Ellos Group Nordic AB.

On 1 April 2026, new financial targets for Ellos Group were presented. The new financial targets reflect an increased focus on driving profitable growth and long-term value creation, in line with Ellos Group's established strategy. Ellos Group aims to achieve organic sales growth in line with the addressable market, with the ambition to outperform market growth over time and to reach an adjusted EBITA margin of 8 per cent in the medium term.

The intention of the Company and its owners is to list the Company on the Stockholm Stock Exchange within the next twelve months.

NOTE 34 | TRANSACTIONS WITH RELATED PARTIES

Related parties primarily refer to subsidiaries and indirectly owned subsidiaries, as well as key management personnel. Transactions between companies within the group, such as the sale and purchase of goods and services, have been conducted on market terms.

Loans to related parties

The Group has not provided any loans to people in the circle of related parties. Related party relationships exist with persons in key senior management roles; information about this is shown in Note 12 which includes, among other things, salaries and other remuneration.

Remuneration of senior executives

No remuneration was paid to the Group's senior executives, except salaries and other remuneration as stated in Note 12.

Parent company

Net sales recognised in the Parent company consist solely of intra-Group sales.

NOTE 36 | APPROPRIATION OF THE COMPANY'S LOSS

Proposal for the appropriation of the loss

The following accumulated loss (SEK) are at the disposal of the Annual General Meeting

Accumulated loss	-75,931,567
Profit/loss for the year	-34,683,764
	<hr/>
	-110,615,331

The Board of Directors proposes that the accumulated loss be appropriated as follows

Carried forward	-110,615,331
	<hr/>
	-110,615,331

CERTIFICATION AND SIGNATURES

The Board of Directors and the Chief Executive Officer hereby certify that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The annual report and the consolidated financial statements give a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Directors' Report for the Parent Company and the Group provides a fair review of the development of the Parent Company's and the Group's operations, financial position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group. The annual report and the consolidated financial statements were approved for issue by the Board of Directors and the Chief Executive Officer on 15 April 2026. The Board of Directors and the Chief Executive Officer also certify that the annual report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted pursuant to the EU Taxonomy Regulation. The content of the annual report was finalised on 14 April 2026.

Borås 15 April 2026

Morten Eivindssøn Aastrup
Chairman of the board

Joakim Friedman
Board member

Mariette Kristensson
Board member

Hans Lindau
Board member

Åsa Tobrant
Board member

Hans Ohlsson
CEO

Our auditor's report on the annual report and the consolidated financial statements was issued on 16 April 2026.

Our assurance report on the statutory sustainability report was issued on 16 April 2026.

Ernst & Young AB

Andreas Mast
Authorised Public Accountant

To the general meeting of the shareholders of Ellos Holding AB (publ), corporate identity number 559495-4116

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Ellos Holding AB (publ) except for the corporate governance statement on pages 86-87 and the sustainability report on pages 10-85 for the year the financial year 2025. The annual accounts and consolidated accounts of the company are included on pages 4-9 and 88-125 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 86-87 and the sustainability report on pages 10-85. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Inventory

<i>Description</i>	<i>How our audit addressed this key audit matter</i>
<p>At the balance sheet date, the Group's inventories amounted to SEK 764 million, corresponding to 25 percent of total assets. The inventory consists of clothing, furniture and other consumer goods intended for re-sale and is valued at the lowest of acquisition cost and net sales value. The net sales value assessment is based on management's estimates of expected sales prices based on forecasts, less estimated required sales costs such as marketing and customer service. An impairment is recognized for goods where the estimated net sales value is less than book value.</p> <p>The valuation of the inventory thus includes significant assessments by management and is of significant size for the Group. Against this background, we have assessed the valuation of inventories as a key audit matter in our audit.</p> <p>Information on inventories can be found in Note 18.</p>	<p>We have evaluated processes and procedures for monitoring and assessing slow-moving and obsolete goods. As part of this, we have analyzed the provisions made and compared them with historical outcomes to assess the reasonableness of management's assumptions. We have also carried out testing of the purchase price to check the value and ensure that the costs included in the stock value are correctly attributable.</p> <p>Our review has also included data analysis in order to identify slow-moving and obsolete articles and to assess the company's estimate of any need for provisions. Finally, we have assessed whether the required information regarding inventory has been provided in the financial statements.</p>

Valuation of Goodwill and Brands

<i>Description</i>	<i>How our audit addressed this key audit matter</i>
<p>As of December 31, 2025, the carrying amount of goodwill and brands amounted to SEK 1,252 million in the Group's annual report, which corresponds to 40 percent of total assets. The Group evaluates annually, and if there is an indication of a decline in value, that the carrying values do not exceed the estimated recoverable value. The recoverable value is determined for each cash-generating unit through a present value calculation of future cash flows. These are based on management's business plans for the next five years and an estimate of cash flow after the forecast period. The calculations are based on a number of assumptions that include growth, gross margin and discount rate, among others.</p> <p>The valuation of intangible assets is by its nature subject to subjective assessments, where a seemingly minor change in the assumptions made can have a significant effect on the calculated values. Given the high degree of assumptions and assessments made in connection with the calculation of recoverable value, together with the fact that the amounts are significant, we consider the valuation of intangible fixed assets to be a key audit matter in our audit.</p> <p>A description of the impairment test is given in Note 15 "Goodwill and intangible assets".</p>	<p>In our audit, we have evaluated and tested the Group's process for establishing impairment testing, which included assessing the accuracy of previous forecasts and assumptions. We have assessed the reasonableness of the forecasted cash flow and growth assumptions by comparing with other companies operating in the same industry.</p> <p>Furthermore, with the support of our valuation experts, we have reviewed assumptions regarding discount rates and long-term growth. We have also evaluated the Group's sensitivity analyses to assess the effect of reasonably possible changes in key assumptions.</p> <p>Finally, we have assessed whether the required disclosures have been made in the financial statements.</p>

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 10-87. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ellos Holding AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report**Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Ellos Holding AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Ellos Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 86-87 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, was appointed auditor of Ellos Holding AB (publ) by the general meeting of the shareholders on the 15th May 2025 and has been the company's auditor since September 3, 2024.

Göteborg April 16, 2026

Ernst & Young AB

Andreas Mast
Authorized Public Accountant

AUDITOR'S LIMITED ASSURANCE REPORT ON ELLOS HOLDING AB (PUBL)'S SUSTAINABILITY STATEMENT

To the General Meeting of the shareholders Ellos Holding AB (publ), corporate identity number 559495-4116

Conclusion

We have conducted a limited assurance engagement of the sustainability statement prepared by Ellos Holding AB (publ) (the company) for the financial year 2025. The sustainability statement is included on page 10-84 of this document.

Based on our limited assurance engagement as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

Basis for Conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 – Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility under this recommendation is described in more detail in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information than the sustainability statement

This document also contains other information than the sustainability statement, found on pages 1-9 and 86-136. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The sustainability statement for the previous financial year 2024 has not been subject to a limited assurance engagement according to RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Therefore, no limited assurance engagement of comparative figures in the sustainability statement for 2025 has been performed.

Responsibilities of the Board of directors and Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of Ellos Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process IRO-1 in the sustainability statement.

Our review procedures regarding the taxonomy disclosures included, but were not limited to the following:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement.
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

Inherent limitations

In reporting forward-looking information in accordance with ESRS, the board and management of Ellos Holding AB (publ) must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Ellos Holding AB (publ). Actual outcomes are likely to differ, as expected events often do not occur as anticipated.

Göteborg April 16, 2026

Ernst & Young AB

Andreas Mast
Authorized Public Accountant

Malin Ekman Lorentzon
Authorized Public Accountant

OTHER INFORMATION

RECONCILIATION OF ALTERNATIVE KEY FIGURES

Some of the financial alternative performance measures (APM) 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. The Group's definitions of these financial measures may differ from other companies' definitions of the same terms.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
GROSS PROFIT, SEK M		
Net sales	3,463.7	997.8
Cost of goods sold	-1,953.8	-597.1
Gross profit	1,509.9	400.7
Net sales	3,463.7	997.8
Gross margin %	43.6	40.2

Gross profit shows the difference between net sales and cost of goods sold. Gross profit depends among the others on price development, costs development and product mix.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
OPERATING PROFIT, SEK M		
Gross profit	1,509.9	400.7
Operating costs	-1,362.9	-597.1
Operating profit	147.0	19.9
Net sales	3,463.7	997.8
Operating margin, %	4.2	2.0

Gross margin shows the difference between net sales and cost of goods sold in percentage to net sales.

	2025-12-31	2024-12-31
NET DEBT, SEK M		
Bond loans	950.0	1,163.7
Cash and cash equivalents	-188.3	-182.3
Net debt	761.7	981.4

Net debt comprises interest-bearing long-term and short-term liabilities, excluding lease liabilities and pension liabilities.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
ADJUSTED CASH FLOW FROM OPERATING ACTIVITIES		
Cash flow from operating activities	339.3	35.7
Pledging of cash and cash equivalents	-166.6	-
Adjusted cash flow from operating activities	172.8	35.7

Cash flow from operating activities adjusted for acquisition-related transactions.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
EBITA, SEK M		
Operating profit	147.0	19.9
Amortisation of acquisition-related intangible assets (customer relations)	68.9	14.4
EBITA	215.9	34.3

EBITA shows the operating profit before amortisation of acquisition-related intangible assets.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
ADJUSTED EBITA, SEK M		
Operating profit	147.0	19.9
Amortisation of acquisition-related intangible assets (customer relations)	68.9	14.4
<i>Non-recurring items</i>		
Costs for refinancing and incentive program	3.1	-
Adjusted EBITA	219.0	34.3
Net sales	3,463.7	997.8
Adjusted EBITA-margin, %	6.3	3.4

Adjusted EBITA shows operating profit before amortisation of intangible assets derived from acquisitions, adjusted for non-recurring items.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
EBITDA, SEK M		
Operating profit	147.0	19.9
Amortisation, depreciation and impairment	190.1	45.5
EBITDA	337.1	65.4

EBITDA shows the operating profit before amortisation, depreciation and impairment.

	2025-01-01 –2025-12-31	2024-10-15 –2024-12-31
ADJUSTED EBITDA, SEK M		
Operating profit	147.0	19.9
Amortation, depreciation and impairment	190.1	45.5
<i>Non-recurring items</i>		
Costs for refinancing and incentive program	3.1	-
Adjusted EBITDA	340.2	65.4
Net sales	3,463.7	997.8
Adjusted EBITDA-margin, %	9.8	6.6

Adjusted EBITDA shows operating profit before amortisation, depreciation and impairment, adjusted for non-recurring items.

DEFINITIONS

Gross profit: Net sales less cost of goods sold.*

Gross margin (%): Gross profit as a percentage of net sales.

EBITA: Operating profit before amortisation of acquisition-related intangible assets.

EBITA margin (%): EBITA as a percentage of net sales.

EBITDA: Operating profit before depreciation, amortisation and impairment.

EBITDA margin (%): EBITDA as a percentage of net sales.

Financial items: Financial items is the net amount of financial income and financial expenses.

Non-recurring items: Non-recurring items is items that are not annually recurring and are separated from usual business.

Average number of employees: Calculated by the sum of the number of hours worked divided by a normal annual working time.

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: Interest-bearing liabilities (excluding pension liabilities, lease liabilities and liabilities to group companies) less cash and cash equivalents and interest-bearing assets at the end of the period.

Operating costs: Selling expenses, administrative expenses, other income and expenses.

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

Operating margin (%): Operating profit as a percentage of net sales.

*Definition according to IFRS

FINANCIAL CALENDER

Interim report Q1 2026
Annual general meeting 2026

5 maj 2026
19 maj 2026

FOR FURTHER INFORMATION

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ABOUT ELLOS GROUP

Ellos Group, which includes the e-stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading e-commerce group in the Nordic region. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. Ellos Group, headquartered in Borås, is operating in all Nordic countries and in selected European markets.

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ELLOS GROUP
ellos **Jotex** home  room elpy

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