ELLOS GROUP

FNG NORDIC AB (PUBL) GROUP

Press release, Borås 31 May 2021

FNG NORDIC AB (PUBL) INTERIM REPORT JANUARY – MARCH 2021

The interim report for FNG Nordic AB (Ellos Group) is published today.

THE FIRST QUARTER

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

Comment from the CEO of FNG Nordic AB (publ)

2021 BEGINS WITH A STRONG QUARTER!

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

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

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

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

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

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

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

ELLOS GROUP

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This information is information that FNG Nordic AB (publ) is legally obliged to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. Through the agency of the contact persons shown above, the information was released for publication on 31st of May 2021 at 08.00 CET.

ABOUT ELLOS GROUP

The Ellos Group, which includes Ellos, Jotex, Stayhard, and Homeroom, is the Nordic region's leading e-commerce group. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries, has around 550 employees and sales of around SEK 3.2 billion. www.ellosgroup.com