

# Ellos Denmark A/S

Sundkrogsgade 21, 2100 Copenhagen Ø

CVR no. 24 92 78 14

## Annual report 2023

Approved at the Company's annual general meeting on 25<sup>th</sup> April 2024

Chair of the meeting:

.....

Hans Bertil Ohlsson

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ellos Denmark A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 25<sup>th</sup> April 2024

Executive Board:

.....  
Hans Bertil Ohlsson

Board of Directors:

.....  
Johan Stigson  
Chairman

.....  
Bernt Mathias Parkhagen

.....  
Björn Markus Andersson

## Independent auditor's report

### To the shareholders of Ellos Denmark A/S

#### Opinion

We have audited the financial statements of Ellos Denmark A/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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.

### Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the 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 Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Odense, 25<sup>th</sup> April 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Søren Smedegaard Hvid  
State Authorised Public Accountant  
mne31450

## Management's review

### Company details

Name	Ellos Denmark A/S
Address, Postal code, City	Sundkrogsgade 21, 2100 Copenhagen Ø
CVR no.	24 92 78 14
Established	16 December 1975
Registered office	Copenhagen Kommune
Financial year	1 January - 31 December
Website	<a href="http://www.ellos.dk">www.ellos.dk</a> <a href="http://www.jotex.dk">www.jotex.dk</a> <a href="http://www.homerom.dk">www.homerom.dk</a>
Board of Directors	Johan Stigson, Chairman Bernt Mathias Parkhagen Björn Markus Andersson
Executive Board	Hans Bertil Ohlsson
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

## Management's review

### Financial highlights

DKKm	2023	2022	2021	2020	2019
<b>Key figures</b>					
Gross profit/loss	8,041	9,175	18,857	24,722	18,593
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,263	7,909	17,934	23,584	18,091
Net financials	1,650	1,116	1,169	411	437
Profit before tax	8,913	9,025	19,103	23,995	18,528
<b>Profit for the year</b>	<b>7,475</b>	<b>7,410</b>	<b>15,730</b>	<b>18,860</b>	<b>14,609</b>
Total assets	38,199	42,890	57,148	58,576	58,253
<b>Equity</b>	<b>8,284</b>	<b>7,883</b>	<b>16,143</b>	<b>20,917</b>	<b>26,393</b>
Cash flows from operating activities	1,146	7,667	15,323	29,940	22,002
Net cash flows from investing activities	0	0	0	0	0
Cash flows from financing activities	- 7,074	- 15,670	- 20,504	- 24,336	241
<b>Total cash flows</b>	<b>- 5,928</b>	<b>- 8,003</b>	<b>- 5,181</b>	<b>5,604</b>	<b>22,243</b>
<b>Financial ratios</b>					
Equity ratio	21.7%	18.4%	28.2%	35.7%	45.3%
Return on equity	92.5%	61.7%	84.9%	79.7%	77.0%
<b>Average number of full-time employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

For terms and definitions, please see the accounting policies.

## Management's review

### Business review

Ellos Denmark A/S is a wholly owned subsidiary of Ellos Group Sweden AB, Sweden, and is part of Ellos Group AB.

The Company's business area is sale of clothing and other products for home and leisure primarily via e-commerce to the private market.

### Financial review

The income statement for 2023 shows a profit of DKK 7,475 thousand against a profit of DKK 7,410 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 8,284 thousand.

### Financial risks and use of financial instruments

#### Exchange rate risk

Foreign activities mean that profit, cash flow and equity are mainly affected by the exchange rate development between DKK and SEK. The exchange rate risk is deemed to be minimal. It is therefore not considered necessary to hedge the exposure to foreign currency risk.

### Impact on the external environment

Ellos Group, including Ellos Denmark A/S, has an impact on the environment at several stages of the supply chain, partly through its own operations, which are centralised in Borås, but also via purchasing from suppliers, primarily in Asia. For these different areas, the following is in place: Environmental policy, for the operations in Borås. This aims to minimise the environmental impact of the Group's operations, for example through active work on recycling and energy-saving measures.

Policy outcome: The Environmental policy clarifies what is expected of the company's employees and how staff can contribute to reducing the company's negative environmental impact by making better choices in their day-to-day work.

Ellos Group Supplier manual, for supplier operations. This includes statutory requirements, information on materials that are not accepted in the company's product range, quality and safety requirements, chemical restrictions, requirements regarding product testing and packaging instructions to protect the products during transportation.

Outcome of implementation of Ellos Group's Supplier manual: This regulates many issues between Ellos Group as buyer and its suppliers, it clarifies Ellos Group's requirements and expectations. It has resulted in better communication with suppliers and improved compliance with Ellos Group's environmental and quality requirements. The fact that the company has taken a clear stance in issues relating to material choices, for instance, means that we are able to accommodate customer's questions and requests.

### Environmental risks and management of these risks

#### *Own operations:*

Environmental risks in our own operations include energy consumption, greenhouse gas emissions and waste management. The company's environmental policy contains guidelines on how to manage these risks. Management of these risks primarily involves monitoring and annual measurement of energy consumption, CO2 emissions and recycling of waste. The company has an ambition to reduce both energy consumption and emissions, and through measurement and monitoring the Group is continuously working on finding and implementing improvements. For example, since measurements began, the Group has made the transition to 100% renewable energy for its own operations, resulting in a reduction in CO2 emissions.

#### *Suppliers:*

Production of Ellos Group's products, which is carried out by the company's suppliers, contains many environmental risks. Important risks include consumption of water and oil, use of dangerous chemicals, emissions into air and water, energy, emissions of greenhouse gases and destruction of products that do not meet quality and safety requirements or which have been damaged by moisture during transportation. Ellos Group manages these risks through several steps in the value chain, primarily by specifying requirements such as chemical controls, environmental requirements, and quality requirements in Ellos Group's Supplier manual. Every year, suppliers must sign a certificate of compliance with the company's Supplier manual. Ellos Group also requires its suppliers to maintain an audit protocol to ensure compliance with Ellos Group's Code of Conduct for suppliers. Ellos Group has identified material choices that have a less negative environmental impact, such as cotton through Better Cotton



Initiative, (BCI), which involves less consumption and better management of water and chemicals. In 2015, the Group joined the Better Cotton Initiative (BCI) in order to support more sustainable cotton production. Goals have been set to increase the proportion of more sustainable material choices. In 2030, 100% of Ellos Group's material must be recycled or otherwise more sustainably produced. Through membership of STICA and the Swedish Chemicals Group Swerea, Ellos Group aims to contribute to reduced climate impact and management of water and chemicals in the supply chain. The Group is also working to protect animal rights in the process chain and, for example, does not permit hygiene products tested on animals and there is no real fur in the Group's product range.

The Group works proactively to reduce and counteract harmful chemicals in products. Ellos Group adheres to legal requirements and is at the forefront of efforts to phase out chemicals that are classified as hazardous to humans and the environment. Only a very small proportion of the company's products are not offered for sale. Where this happens, in the first instance textiles and products are offered to non-profit organisations and charities, allowing products to have a useful life. In cases where products do not meet the company's quality and safety requirements, Ellos Group may as a last resort ensure that products are destroyed, usually via incineration. In order to minimise the risk of products having to be destroyed, we cooperate with suppliers through training, requirement specifications and information. For example, there is a separate chapter in Ellos Group's Supplier manual that shows how suppliers can proactively avoid moisture damage during production and delivery.

Ellos Group produces an in-depth sustainability report on an annual basis in compliance with GRI standards, which is available in PDF format on the Ellos Group website, [www.ellogroup.se](http://www.ellogroup.se).

#### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

#### **Outlook**

The Company's revenue is expected to increase by approx. 2%-4% while profit before tax for 2024 is expected to increase by approx. 30%--50% due to better gross margin and lower marketing costs. Cash generated from operations in 2024 is expected to be positive as a result of the expected growth.

Due to increasing uncertainty in general, the expectations for 2024 are encumbered with an extraordinary high degree of uncertainty.

The expectations to revenue decline for 2023 set out in the annual report for 2022 were met, but the expectations to increase profit before tax and cash generated from operations were not met. The main reason for the budget variance is due to lower sales than expected.

## Financial statements 1 January – 31 December

### Income statement

Note	DKK	2023	2022
	<b>Gross profit/loss</b>	8,040,919	9,174,538
3	Staff costs	- 777,435	- 1,265,887
	<b>Profit/loss before net financials</b>	7,263,484	7,908,651
4	Financial income	2,005,149	1,300,281
	Financial expenses	- 355,455	- 184,424
	<b>Profit/loss before tax</b>	8,913,178	9,024,508
5	Tax for the year	- 1,437,951	- 1,614,554
	<b>Profit/loss for the year</b>	7,475,227	7,409,954

## Financial statements 1 January – 31 December

### Balance sheet

Note	DKK	2023	2022
	<b>ASSETS</b>		
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	2,665,158	1,910,854
6	Receivables from group enterprises	34,066,153	39,573,644
8	Deferred tax assets	0	0
	Other receivables	165,646	4,737
7	Prepayments	1,283,994	1,399,952
		<u>38,180,951</u>	<u>42,889,187</u>
	<b>Cash</b>	18,130	851
	<b>Total non-fixed assets</b>	<u>38,199,081</u>	<u>42,890,038</u>
	<b>TOTAL ASSETS</b>	<u>38,199,081</u>	<u>42,890,038</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	500,000	500,000
	Retained earnings	0	0
	Dividend proposed	7,783,548	7,382,782
	<b>Total equity</b>	<u>8,283,548</u>	<u>7,882,782</u>
	<b>Provisions</b>		
9	Other provisions	900,587	1,026,775
	<b>Total provisions</b>	<u>900,587</u>	<u>1,026,775</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	4,187,378	4,249,778
	Payables to group enterprises	13,198,458	15,355,370
	Corporation tax payable	3,697,144	4,076,568
	Other payables	4,360,858	5,321,788
10	Deferred income	3,571,108	4,976,977
		<u>29,014,946</u>	<u>33,980,481</u>
	<b>Total liabilities other than provisions</b>	<u>29,014,946</u>	<u>33,980,481</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>38,199,081</u>	<u>42,890,038</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 11 Collateral
- 12 Related parties
- 13 Appropriation of profit

## Financial statements 1 January – 31 December

### Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Proposed dividend	Total
	<b>Equity at 1 January 2022</b>	500,000	0	15,642,777	16,142,777
13	Transfer, see "Appropriation of profit"	0	27,172	7,382,782	7,409,954
	Other value adjustment of equity	0	- 27,172	0	- 27,172
	Dividend distributed	0	0	- 15,642,777	- 15,642,777
	<b>Equity at 1 January 2023</b>	500,000	0	7,382,782	7,882,782
13	Transfer, see "Appropriation of profit"	0	- 308,321	7,783,548	7,475,227
	Adjustment of investments through foreign exchange adjustments	0	308,321	0	308,321
	Dividend distributes	0	0	- 7,382,782	- 7,382,782
	<b>Equity at 31 December 2023</b>	500,000	0	7,783,548	8,283,548

## Financial statements 1 January – 31 December

### Cash flow statement

Note	DKK	2023	2022
	Profit/loss for the year	7,475,227	7,409,954
14	Adjustments	1,191,452	1,739,848
	Cash generated from operations (operating activities)	8,666,679	9,149,802
15	Changes in working capital	- 5,823,309	2,809,229
	Cash generated from operations (operating activities)	2,843,370	11,959,031
	Income taxes paid	- 1,697,065	- 4,292,348
	<b>Cash flows from operating activities</b>	<b>1,146,305</b>	<b>7,666,683</b>
	Dividends paid	- 7,382,782	- 15,642,777
	Other cash flows from financing activities	308,321	- 27,172
	<b>Cash flows from financing activities</b>	<b>- 7,074,461</b>	<b>- 15,669,949</b>
	<b>Net cash flow</b>	<b>- 5,928,156</b>	<b>- 8,003,266</b>
	Cash and cash equivalents at 1 January	40,254,278	48,257,544
16	<b>Cash and cash equivalents at 31 December</b>	<b>34,326,122</b>	<b>40,254,278</b>

## Financial statements 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Ellos Denmark A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Presentation currency

The financial statements are presented in Danish Kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

The company has chosen IAS 11 / IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

#### Staff costs

Staff costs include staff cost recharges regarding employees of Swedish group companies

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, etc.

## Financial statements 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

##### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise anticipated expenses relating to product returns. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

## Financial statements 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, cash pool balances, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$



## Financial statements 1 January – 31 December

### Notes to the financial statements

#### 2 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

#### 3 Staff costs

	<b>2023</b>	<b>2022</b>
Wages/salaries	764,728	1,254,678
Other staff costs	12,707	11,212
	<u>777,435</u>	<u>1,265,887</u>

The Company did not pay any remuneration to Management during this or the previous financial year. Staff costs are paid by the parent Company.

The Company has no employees. Staff costs can be attributed to staff cost recharges regarding employees of Swedish group companies.

#### 4 Financial income

Interest receivable, group entities	1,926,823	1,255,110
Other financial income	78,326	45,171
	<u>2,005,149</u>	<u>1,300,281</u>

#### 5 Tax for the year

Estimated tax charge for the year	1,317,640	- 120,311
Deferred tax adjustment for the year	120,311	1,734,865
Tax adjustments, prior years	0	0
	<u>1,437,951</u>	<u>1,614,554</u>

#### 6 Receivables from group enterprises

Receivables from group enterprises include cash pool agreement, under which the Swedish parent company, Ellos Group Sweden AB, is the holder of the agreement, while other group companies are sub-account holders. The bank can settle drafts and deposits with each other, so the net amount constitutes a balance between the bank and Ellos Group Sweden AB. For Ellos Denmark A/S' intercompany balances, DKK 34,1 million are included in the joint cash pool agreement.

#### 7 Prepayments

Prepayments mainly consist of provision for additional purchase price from Resurs Bank.

#### 8 Deferred tax

Deferred tax at 1 January	0	- 1,734,865
Deferred tax adjustment in the year	120,311	1,734,865
<b>Deferred tax at 31 December</b>	<u>0</u>	<u>0</u>

The timing of elimination of deferred tax is expected to be:

0 – 1 year	- 120,311	0
<b>Deferred tax at 31 December</b>	<u>0</u>	<u>0</u>

## Financial statements 1 January – 31 December

### Notes to the financial statements

#### 9 Other provisions

Other provisions mainly consist of anticipated expenses relating to product returns.

#### 10 Deferred income

Deferred income mainly consists of provision for marketing costs, freights and external customer center.

#### 11 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

#### 12 Related parties

Ellos Denmark A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Ellos Group Sweden AB	Borås, Sweden	Participating interest

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
Ellos Group AB	Sweden

##### Related party transactions

Ellos Denmark A/S was engaged in the below related party transactions:

<b>DKK</b>	<b>2023</b>	<b>2022</b>
Interest income from related party	1,926,823	1,255,110
Cost of sales to related party	98,068,868	111,685,023
Other external expenses to related party	301,981	350,993
Staff cost to related party	764,728	1,254,675
Receivables from related party	34,066,153	39,573,644
Payables to related party	13,198,458	15,355,370

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Ellos Group Sweden AB	Borås, Sweden

#### 13 Appropriation of profit

##### Recommended appropriation of profit

Proposed dividend recognised under equity	7,783,548	7,382,782
Retained earnings	- 308,321	27,172
	<u>7,475,227</u>	<u>7,409,954</u>

## Financial statements 1 January – 31 December

### Notes to the financial statements

DKK	2023	2022
<b>14 Adjustments</b>		
Provisions	- 126,188	125,294
Tax for the year	1,317,640	- 120,311
Deferred tax	0	1,734,865
	<u>1,191,452</u>	<u>1,739,848</u>
<b>15 Changes in working capital</b>		
Change in receivables	- 1,237,196	4,518,721
Change in trade and other payables	- 4,586,113	- 1,709,492
	<u>- 5,823,309</u>	<u>2,809,229</u>
<b>16 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	18,130	851
Cash pool balances	34,307,992	40,253,427
	<u>34,326,122</u>	<u>40,254,278</u>

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## MARKUS ANDERSSON

### Bestyrelsesmedlem

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## MATHIAS PARKHAGEN

### Bestyrelsesmedlem

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## HANS OHLSSON

### Dirigent og direktør

På vegne af: Ellos Denmark A/S

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## ULF JOHAN STIGSON

### Bestyrelsesformand

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## Søren Smedegaard Hvid

### Statsautoriseret Revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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