

## **Restatement of financial information according to IFRS 16**

**Clas Ohlson's interim report for the first quarter 2019/20, to be published on 4 September 2019, is the first to be presented after the introduction of the new accounting standard IFRS 16. The purpose of this document is to facilitate comparison with historical periods.**

Information about the application of IFRS 16 and the expected effects on the balance sheet was presented in the Year-end Report 2018/19, published on 5 June 2019, and in the 2018/19 Annual Report, published on 1 July 2019.

### **Leases for premises have single largest IFRS 16 impact**

The main impact of IFRS 16 on the Group's reporting is attributable to the recognition of leases for premises. On the transition date, Clas Ohlson had about 250 leases for the lease of store premises and warehouses. In addition, the company has a small number of cars and other assets that fall under the framework of IFRS 16. The effect in the small number of cases in which the Group is the lessor is not material.

### **Impact on first quarter 2019/20**

Due to the introduction of IFRS 16, Clas Ohlson's operating profit for the first quarter 2019/20 was charged with depreciation of right-of-use assets instead of expenses for operating leases. Operating profit for the quarter was positively impacted by approximately 27 MSEK. EBITDA was positively impacted by approximately 139 MSEK. This is compared with the recognised operating profit and EBITDA for the first quarter 2019/20 according to previously applied accounting policies.

Clas Ohlson's right-of-use asset on 31 July 2019 amounted to approximately 2,008 MSEK. Of the total item of Right-of-use assets, the item Buildings comprises about 99 per cent. On 31 July 2019, the lease liability amounted to approximately 2,137 MSEK, of which the long-term lease liability accounted for approximately 1,669 MSEK and the short-term lease liability for approximately 468 MSEK. The items are recognised as interest-bearing long-term lease liabilities and interest-bearing short-term lease liabilities in the balance sheet.

### **Transition**

The new standard, which came into effect on 1 January 2019 and applies to financial years beginning on or after the effective date, entails extensive changes to the recognition



of leases for the lessee and differs materially from the IAS 17. Clas Ohlson started to apply the standard from 1 May 2019.

At the transition date, Clas Ohlson decided to apply the modified retrospective approach whereby the lease liability was measured at the present value of future lease payments and the right-of-use asset was measured as if IFRS 16 has been applied since commencement. In accordance with the standard, comparative figures have not be restated. The cumulative effect of the transition was recognised as an adjustment to the opening balance of retained earnings as per 1 May 2019.

For more information, please contact:

Niklas Carlsson, Group Head of Communications, +46 247 44429,  
niklas.carlsson@clasohlson.se.

***Clas Ohlson** was founded in 1918 as a mail order business in Insjön, Sweden. Today we are a retail company with customers in five markets, approximately 5,000 co-workers and annual sales of approximately 8.8 billion SEK. Our share is listed on Nasdaq Stockholm. A lot has happened since the start in 1918, but one thing has remained the same over the years; that we want to help and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Visit [about.clasohlson.com](http://about.clasohlson.com) to read about us and our passion for simplifying life in all kinds of homes.*